

**DRAFT ANNUAL BUDGET OF**  
**NAMAKWA DISTRICT**  
**MUNICIPALITY**



**2017/18 TO 2019/20**

**MEDIUM TERM REVENUE AND  
EXPENDITURE FORECASTS**

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## Table of Contents

### PART 1 – ANNUAL BUDGET

1.1	MAYOR'S REPORT .....	1
1.2	COUNCIL RESOLUTIONS .....	3
1.3	EXECUTIVE SUMMARY .....	4
1.4	OPERATING REVENUE FRAMEWORK.....	5
1.5	OPERATING EXPENDITURE FRAMEWORK.....	8
1.6	CAPITAL EXPENDITURE .....	11
1.7	ANNUAL BUDGET TABLES - MUNICIPALITY .....	12

### PART 2 – SUPPORTING DOCUMENTATION

2.1	OVERVIEW OF THE ANNUAL BUDGET PROCESS .....	26
2.2	OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP .....	29
2.3	MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS .....	37
2.4	OVERVIEW OF BUDGET RELATED-POLICIES .....	42
2.5	OVERVIEW OF BUDGET ASSUMPTIONS .....	43
2.6	OVERVIEW OF BUDGET FUNDING .....	44
2.7	EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS .....	55
2.8	COUNCILLOR AND EMPLOYEE BENEFITS.....	57
2.9	MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW.....	59
2.10	CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS .....	66
2.11	CAPITAL EXPENDITURE DETAILS .....	66
2.12	LEGISLATION COMPLIANCE STATUS.....	73
2.13	OTHER SUPPORTING DOCUMENTS.....	74
2.14	MUNICIPAL MANAGER'S QUALITY CERTIFICATE .....	80

## List of Tables

Table 1	Consolidated Overview of the 2017/18 MTREF .....	5
Table 2	Summary of revenue classified by main revenue source .....	6
Table 3	Operating Transfers and Grant Receipts .....	7
Table 4	Summary of operating expenditure by standard classification item .....	8
Table 5	Operational repairs and maintenance.....	10
Table 6	Repairs and maintenance per asset class.....	10
Table 7	2017/18 Medium-term capital budget per vote .....	11
Table 8	Capital expenditure per class and sub-class .....	12
Table 9	MBRR Table A1 - Budget Summary .....	13

Table 10 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification).....	15
Table 11 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote) .....	16
Table 12 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure) .....	17
Table 13 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source .....	18
Table 14 MBRR Table A6 - Budgeted Financial Position .....	19
Table 15 MBRR Table A7 - Budgeted Cash Flow Statement .....	21
Table 16 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation .....	21
Table 17 MBRR Table A9 - Asset Management.....	23
Table 18 MBRR Table A10 - Basic Service Delivery Measurement.....	25
Table 19 IDP Strategic Objectives.....	31
Table 20 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue .....	34
Table 21 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure.....	35
Table 22 MBRR Table SA7 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure.....	36
Table 23 MBRR Table SA7 - Measurable performance objectives .....	39
Table 24 MBRR Table SA8 - Performance indicators and benchmarks .....	40
Table 25 Breakdown of the operating revenue over the medium-term .....	44
Table 26 MBRR SA15 – Detail Investment Information.....	45
Table 27 MBRR SA16 – Investment particulars by maturity.....	46
Table 28 Sources of capital revenue over the MTREF .....	46
Table 29 MBRR Table SA 17 - Detail of borrowings.....	48
Table 30 MBRR Table SA 18 - Capital transfers and grant receipts.....	49
Table 31 MBRR Table A7 - Budget cash flow statement .....	50
Table 32 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation .....	51
Table 33 MBRR SA10 – Funding compliance measurement .....	52
Table 34 MBRR SA19 - Expenditure on transfers and grant programmes .....	55
Table 35 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds .....	56
Table 36 MBRR SA22 - Summary of councillor and staff benefits.....	57
Table 37 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers) .....	58
Table 38 MBRR SA24 – Summary of personnel numbers.....	59
Table 39 MBRR SA25 - Budgeted monthly revenue and expenditure.....	60
Table 40 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote).....	61
Table 41 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification) .....	62
Table 42 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote).....	63
Table 43 MBRR SA29 - Budgeted monthly capital expenditure (standard classification) .....	64
Table 44 MBRR SA30 - Budgeted monthly cash flow .....	65

Table 45 MBRR SA 34a - Capital expenditure on new assets by asset class .....	67
Table 46 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class.....	68
Table 47 MBRR SA34c - Repairs and maintenance expenditure by asset class .....	69
Table 48 MBRR SA35 - Future financial implications of the capital budget .....	70
Table 49 MBRR SA36 - Detailed capital budget per municipal vote.....	71
Table 50 MBRR SA37 - Projects delayed from previous financial year.....	72
Table 51 MBRR Table SA1 - Supporting detail to budgeted financial performance .....	74
Table 52 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department).....	76
Table 53 MBRR Table SA3 – Supporting detail to Statement of Financial Position .....	77
Table 54 MBRR Table SA9 – Social, economic and demographic statistics and assumptions.....	78
Table 55 MBRR SA32 – List of external mechanisms.....	79

## List of Figures

Figure 1 Main operational expenditure categories for the 2017/18 financial year .....	9
Figure 2 Depreciation in relation to repairs and maintenance over the MTREF .....	24
Figure 3 Planning, budgeting and reporting cycle.....	37
Figure 4 Definition of performance information concepts.....	38
Figure 5 Breakdown of operating revenue over the 2017/18 MTREF.....	45
Figure 6 Sources of capital revenue for the 2017/18 financial year .....	47
Figure 7 Growth in outstanding borrowing (long-term liabilities) .....	48
Figure 8 Cash and cash equivalents / Cash backed reserves and accumulated funds .....	52

## Abbreviations and Acronyms

AMR	Automated Meter Reading	ℓ	litre
ASGISA	Accelerated and Shared Growth Initiative	LED	Local Economic Development
BPC	Budget Planning Committee	MEC	Member of the Executive Committee
CBD	Central Business District	MFMA	Municipal Financial Management Act Programme
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
		MMC	Member of Mayoral Committee
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
DWA	Department of Water Affairs	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NGO	Non-Governmental organisations
EEDSM	Energy Efficiency Demand Side Management	NKPIs	National Key Performance Indicators
EM	Executive Mayor	OHS	Occupational Health and Safety
FBS	Free basic services	OP	Operational Plan
GAMAP	Generally Accepted Municipal Accounting Practice	PBO	Public Benefit Organisations
GDP	Gross domestic product	PHC	Provincial Health Care
GDS	Gauteng Growth and Development Strategy	PMS	Performance Management System
GFS	Government Financial Statistics	PPE	Property Plant and Equipment
GRAP	General Recognised Accounting Practice	PPP	Public Private Partnership
HR	Human Resources	PTIS	Public Transport Infrastructure System
HSRC	Human Science Research Council	RG	Restructuring Grant
IDP	Integrated Development Strategy	RSC	Regional Services Council
IT	Information Technology	SALGA	South African Local Government Association
kℓ	kilolitre	SAPS	South African Police Service
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator		
kWh	kilowatt		

## **Part 1 – Annual Budget**

### **1.1 Mayor's Report**



The Namakwa District Municipality (NDM) is a category C-municipality and has got tremendous investment opportunities despite the weak economic climate. Although a very high level of unemployment is still evident, we managed to reduce it through several initiatives and partnerships. Unemployment rate average 24% with Hantam being the lowest at 12% and Kamiesberg at 35%. Kamiesberg should therefore become our focus area in bringing down our overall unemployment rate.

Unemployment, inequality and poverty go hand and hand and is one of our mayor challenges. The NDM has a limited budget and must spend it wisely and according the guidance from the province, but I am satisfied that we have made significant strides towards alleviating poverty and some of these economic burdens.

For the past five years we were involved in:

- Several sponsorships, like the Mayoral Matric Awards Function and Die Burger Winter School ;
- The handing over of wheelchairs for the aged and rugby golf t-shirts for a local rugby clubs;
- The Maths Olympiad and Hey-Math programme;
- Completion of School in Matjieskloof;
- Supporting vulnerable groups.

Furthermore, I am proud to disclose that several big projects are currently under construction or in process of completion, like

- Renewable Engery projects;
- Possible Energy and Gas projects (Sunbird Energy);
- Gamsberg mine will become operational early next year (Vedantta);
- Operation Phakisa (Small Harbour Development - Upgrading fishing Harbour in Port Nolloth);
- Agriparks Development ( Namakwa Irrigation);
- Improve our role in Further Education through the support of SETA's

Some of our B-municipalities are struggling to cope with service delivery challenges and financial constraints. And to a certain extent, to spend allocated funds properly and for the right purposes. This can be overcome by tightening our role by providing specific supporting to them.

On the whole, our region is stable and the crime rate low, but we need to empower our people to become independent, educated and well-behaved inhabitants of the region. We have many good stories to tell. May be it is not enough, that's why we must pull up our sleeves and make this Namakwa District a better place for everybody to live in.

This can only be done through joint efforts with government institutions and the private sector. I believe that a brighter future lies ahead for this vast area of ours and it is my hope that money from the government is spent according to regulations and priorities.

The late and great Nelson Mandela once said:

"Let there be work, bread, water and salt for all."(Madiba)

I thank you

B.G. Vass (Executive Mayor)

## 1.2 Council Resolutions

On 31 March 2017 the Council of Namakwa District Municipality met in the Council Chambers in Springbok to table the draft annual budget of the municipality for the financial year 2017/18. The Council approved and adopted the following resolutions:

1. The Council of Namakwa District Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
  - 1.1. The annual budget of the municipality for the financial year 2017/18 and the multi-year and single-year capital appropriations as set out in the following tables:
    - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 10 on page 15;
    - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 11 on page 16;
    - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 12 on page 17; and
    - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 13 on page 18.
  - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
    - 1.2.1. Budgeted Financial Position as contained in Table 14 on page 19;
    - 1.2.2. Budgeted Cash Flows as contained in Table 15 on page 21;
    - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 16 on page 21;
    - 1.2.4. Asset management as contained in Table 17 on page 23; and
    - 1.2.5. Basic service delivery measurement as contained in Table 18 on page 25.
2. To give proper effect to the municipality's annual budget, the Council of Namakwa District Municipality approves:
  - 2.1. That cash backing is implemented through the utilisation of the municipality own reserves to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.



### 1.3 Executive Summary

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items.

National Treasury's MFMA Circular No. 85 and 86 was used to guide the compilation of the 2016/17 MTREF.

The main challenges experienced during the compilation of the 2017/18 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Wage increases for municipal staff that continue to exceed consumer inflation;
- The status of all Council Buildings and whether to keep or sell certain buildings;
- Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2017/18 MTREF process; and
- The loss of implementing agent income in the last financial year of this MTREF.

The following budget principles and guidelines directly informed the compilation of the 2017/18 MTREF:

- The 2016/17 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2017/18 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazette as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2017/18 Medium-term Revenue and Expenditure Framework:

**Table 1 Consolidated Overview of the 2017/18 MTREF**

<b>R thousand</b>	<b>Adjustments Budget 2016/17</b>	<b>Budget Year 2017/18</b>	<b>Budget Year 2018/19</b>	<b>Budget Year 2019/20</b>
Total Operating Revenue	95 779 596	56 591 095	68 541 308	67 652 067
Total Operating Expenditure	102 374 657	64 735 111	69 870 596	70 174 248
(Surplus)/Deficit for the year	-6 595 061	-8 143 016	-1 329 288	-2 522 181
Total Capital Expenditure	774 200	110 000	-	-

The municipality's operating budget indicates a deficit of R 8.14 million which is mainly due to the following isolated events:

- The budget inclusion of interest of the post retirement benefit of R 2 215 382. Note that this is a non-cash item.
- The budget inclusion of current service costs for the medical aid benefit as well as the long service award benefit.
- A slightly higher increase percentage of 7.36% than expected previously for employee related costs.
- The reduction in interest received due to the withdrawal from the major investment of the municipality for the 2016/17 financial year affecting the 2017/18 financial year.
- The loss of the provision of implementation fee to be received from Department Agriculture, Forestry and Fisheries which is currently under intergovernmental dispute.
- Inclusion of non-cash item, depreciation for R 2 267 000 which contributes to the loss indicated.
- High provision of audit fees in excess of R 2 000 000 for the 2017/18 financial year.
- The loss of the Fire Equipment Grant already in the 2016/17 financial year which also affected the 2017/18 financial year as no allocations have been indicated since 2015/16. The disaster management division currently runs at a significant loss.

**The above deficit is fully funded by the municipality's own funding which include investments which are sufficient. Also note that the municipality indicates a surplus of R20.04 million for the 2017/18 MTREF in A8 and SA 10 indicates that the Namakwa District Municipality's budget is fully funded for the projected forecasted years included in this MTREF.**

## 1.4 Operating Revenue Framework

For Namakwa District Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Change in the calculation of the equitable share formula for district municipalities;
- The continuous efforts of seeking implementing agent opportunities which will generate additional revenues for the Namakwa District Municipality.

The following table is a summary of the 2017/18 MTREF (classified by main revenue source):

**Table 2 Summary of revenue classified by main revenue source**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Revenue By Source</b>											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-	917	963	1 011
Interest earned - external investments		-	-	-	-	-	-	-	2 260	3 020	2 800
Interest earned - outstanding debtors		-	-	-	-	-	-	-	60	60	60
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	5	5	5
Licences and permits		-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	8 823	9 258	9 710
Transfers and subsidies		-	-	-	-	-	-	-	44 527	55 236	54 066
Other revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	-	-	-	-	-	-	56 591	68 541	67 652

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from Government Grants forms the major source of revenue of Namakwa District Municipality.

Operating grants and transfers totals R44.53 million in the 2017/18 financial year and increases to R54.07 million by 2019/20. The increase in revenue is as a result of a review of the equitable share formula for District Municipalities.

The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

**Table 3 Operating Transfers and Grant Receipts**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		-	-	-	-	-	-	42 892	54 752	53 555
Local Government Equitable Share		-	-	-	-	-	-	36 316	44 678	46 175
Finance Management		-	-	-	-	-	-	1 250	1 505	1 765
Municipal Systems Improvement		-	-	-	-	-	-	-	-	-
PIMS		-	-	-	-	-	-	-	-	-
Health Inspector's Subsidy		-	-	-	-	-	-	2 428	2 428	2 428
Municipal Infrastructure Grant		-	-	-	-	-	-	-	3 123	-
Rural road asset management		-	-	-	-	-	-	2 898	3 018	3 187
<b>Provincial Government:</b>		-	-	-	-	-	-	1 350	368	389
Civil Defence Subsidy		-	-	-	-	-	-	350	368	389
EPWP		-	-	-	-	-	-	1 000	-	-
IDP/LDO		-	-	-	-	-	-	-	-	-
Border Fencing		-	-	-	-	-	-	-	-	-
Electronic Filing System		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	109	116	122
Training Reserve (SETA)		-	-	-	-	-	-	109	116	122
Swartzkop Sport Ground (Lotto)		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	-	-	-	-	-	-	44 351	55 236	54 066

Announced in the Division of Revenue Bill for 2017 there is a significant increase of 24.54% in the equitable share of the Namakwa District Municipality from 2017/18 financial year to 2018/19 financial year. The Municipal Systems Improvement Grant was changed to an indirect grant which resulted in the grant being removed for the 2016/17 and 2017/18 financial year. The municipality will only receive this grant in the 2018/19 financial year.

The municipality is in the ongoing process of continuously seeking for other revenue sources due to the reduction of reserves as well as the equitable share not being adequate to fund all activities of the Namakwa District Municipality.

## 1.5 Operating Expenditure Framework

The Namakwa District Municipality's expenditure framework for the 2017/18 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and is mainly funded by internally generated funding being cash-back reserves;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plans no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2017/18 budget and MTREF (classified per main type of operating expenditure):

**Table 4 Summary of operating expenditure by standard classification item**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Expenditure By Type</b>											
Employee related costs	2	-	-	-	-	-	-	-	35 668	37 559	39 579
Remuneration of councillors		-	-	-	-	-	-	-	3 134	3 322	3 521
Debt impairment	3	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	2	-	-	-	-	-	-	-	2 267	2 275	2 284
Finance charges		-	-	-	-	-	-	-	378	395	414
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8	-	-	-	-	-	-	-	-	-	-
Contracted services		-	-	-	-	-	-	-	12 238	15 337	12 979
Transfers and subsidies		-	-	-	-	-	-	-	120	120	120
Other expenditure	4, 5	-	-	-	-	-	-	-	10 932	10 862	11 278
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		-	-	-	-	-	-	-	64 735	69 871	70 174

The budgeted allocation for employee related costs for the 2017/18 financial year totals R35.67 million, which equals 55.09 % of the total operating expenditure. Based on Circular 02, salary increases have been factored into this budget at a percentage increase of 7.36 percent for the 2017/18 financial year. An annual increase of 6.0 and 6.0 percent has been included in the two outer years of the MTREF where no additional information was available.

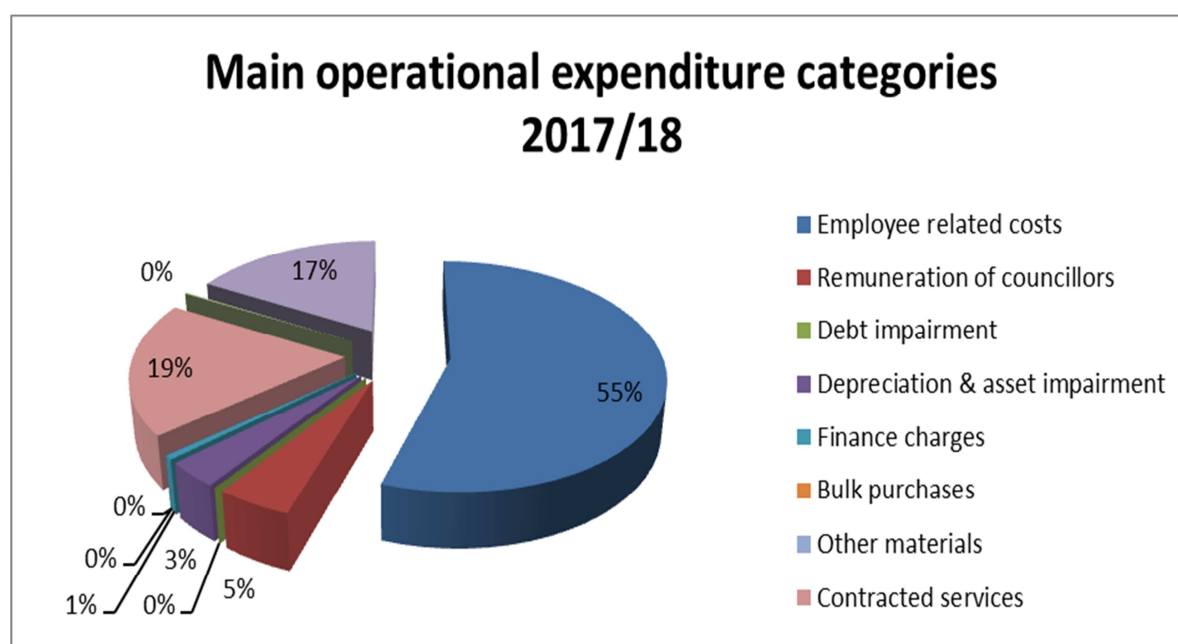
The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the municipality's budget.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R2.27 million for the 2017/18 financial and equates to 3.50 percent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register.

Contracted services are strictly costing that was obtained from the Department of Environmental Affairs for the Work for Water project.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited to 6.4 percent for 2017/18 and curbed at 4.7 and 4.6 per cent for the two outer years, indicating that significant cost savings have been already realised. Further details relating to contracted services can be seen in Table 51 MBRR SA1.

The following table gives a breakdown of the main expenditure categories for the 2017/18 financial year.



**Figure 1 Main operational expenditure categories for the 2017/18 financial year**

### 1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2017/18 budget and MTREF provided for reasonable growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services.

Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

**Table 5 Operational repairs and maintenance**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
Repairs and Maintenance	8										
Employee related costs		-	-	-	-	-	-	-	-	-	-
Other materials		-	-	-	-	-	-	-	-	-	-
Contracted Services		-	-	-	-	-	-	-	471	479	487
Other Expenditure		-	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	9	-	-	-	-	-	-	-	471	479	487

The municipality's repairs and maintenance budget has increased by 5.93% from R 471 000 in 2017/18 financial year to R 487 000 in the 2019/20 financial year. This is as a result of most of maintenance on Council Buildings was done in the 2013/14 financial year and will not be repeated in the near future.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

**Table 6 Repairs and maintenance per asset class**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
EXPENDITURE OTHER ITEMS										
Depreciation	7	-	-	-	-	-	-	2 267	2 275	2 284
Repairs and Maintenance by Asset Class	3	-	-	-	-	-	-	471	479	487
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	300	300	300
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	300	300	300
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	20	21	22
Intangible Assets		-	-	-	-	-	-	20	21	22
Computer Equipment		-	-	-	-	-	-	62	65	68
Furniture and Office Equipment		-	-	-	-	-	-	33	34	36
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	56	59	61
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		-	-	-	-	-	-	2 738	2 754	2 772

All repairs and maintenance is classified under other assets as the municipality's assets does not fall into any other category as provided in these schedules.

## 1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

**Table 7 2016/17 Medium-term capital budget per vote**

Vote Description R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Capital expenditure - Municipal Vote</b>	2										
<b>Single-year expenditure appropriation</b>											
<b>Vote 1 - Municipal Manager</b>		-	-	-	-	-	-	-	78	-	-
1.1 - Council: Councillors									-	-	-
1.2 - Council Expenditure									30	-	-
1.3 - Executive Mayor									-	-	-
1.4 - Internal Audit and Audit Committee									-	-	-
1.5 - Mayor - PA									-	-	-
1.6 - Municipal Manager									48	-	-
1.7 - Municipal Manager - Admin									-	-	-
1.8 - Housing									-	-	-
1.9 - Speaker									-	-	-
1.10 - Speaker - PA									-	-	-
<b>Vote 2 - Manager: Corporate Services</b>		-	-	-	-	-	-	-	17	-	-
2.1 - Administration									17	-	-
2.2 - Human Resources									-	-	-
2.3 - Council Buildings									-	-	-
2.4 - Council Vehicles									-	-	-
2.5 - Equitable Share - Admin									-	-	-
2.6 - Equitable Share - Electricity									-	-	-
2.7 - Equitable Share - Sanitation									-	-	-
2.8 - Equitable Share - Water									-	-	-
2.9 - Operational and Maintenance									-	-	-
<b>Vote 3 - Manager: Economic Development</b>		-	-	-	-	-	-	-	-	-	-
3.1 - Economic Development									-	-	-
3.2 - Fish Factory									-	-	-
3.3 - Harbour									-	-	-
3.4 - Project Manager SLP									-	-	-
3.5 - Tourism									-	-	-
3.6 - Working for Water									-	-	-
3.7 - Planning									-	-	-
3.8 - Council Projects									-	-	-
3.9 - Project Management									-	-	-
<b>Vote 4 - Manager: Environmental Health</b>		-	-	-	-	-	-	-	-	-	-
4.1 - Ambulance									-	-	-
4.2 - Environmental Health									-	-	-
4.3 - Law Enforcement									-	-	-
4.4 - Primary Health									-	-	-
4.5 - Safety									-	-	-
<b>Vote 5 - Manager: Finance</b>		-	-	-	-	-	-	-	15	-	-
5.1 - Finance									15	-	-
<b>Vote 6 - Manager: Roads</b>		-	-	-	-	-	-	-	-	-	-
6.1 - Plant and Equipment									-	-	-
6.2 - Roads									-	-	-
<b>Capital single-year expenditure sub-total</b>		-	-	-	-	-	-	-	110	-	-
<b>Total Capital Expenditure</b>		-	-	-	-	-	-	-	110	-	-

This is the capital budget included per department for the 2017/18 MTREF. The capital expenditure budget has decreased from 2016/17 to 2017/18 financial year. This decrease in the capital budget is due to the municipality trying to focus only on high priority items needed and thereby cutting costs.

The table below provides a breakdown of capital expenditure by class and sub-class:



**Table 8 Capital Expenditure per class and sub-class**

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2017/18 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2015/16	Current Year 2016/17 Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Ward location	New or renewal
R thousand	4			2	6	3	3	5								
Parent municipality: List all capital projects grouped by Municipal Vote																
1.2 - Council Expenditure		Computer Equipment			Yes	Computer Equipment	Computer Equipment		-	-	-	30	-	-	N/A	New
1.6 - Municipal Manager		Computer Equipment			Yes	Computer Equipment	Computer Equipment		-	-	-	48	-	-	N/A	New
2.1 - Administration		Computer Equipment			Yes	Computer Equipment	Computer Equipment		-	-	-	17	-	-	N/A	New
5.1 - Finance		Computer Equipment			Yes	Computer Equipment	Computer Equipment		-	-	-	15	-	-	N/A	New
Parent Capital expenditure	1											110	-	-		
Entities: List all capital projects grouped by Entity																
Entity A									-	-	-	-	-	-		
Water project A									-	-	-	-	-	-		
Entity B									-	-	-	-	-	-		
Electricity project B									-	-	-	-	-	-		
									-	-	-	-	-	-		
Entity Capital expenditure										-	-	-	-	-		
Total Capital expenditure										-	-	110	-	-		

## 1.7 Annual Budget Tables – Namakwa District Municipality

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2017/18 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 9 MBRR Table A1 - Budget Summary

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-	-
Investment revenue	-	-	-	-	-	-	-	2 260	3 020	2 800
Transfers recognised - operational	-	-	-	-	-	-	-	44 527	55 236	54 066
Other own revenue	-	-	-	-	-	-	-	9 805	10 286	10 786
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	-	-	-	-	-	-	56 591	68 541	67 652
Employee costs	-	-	-	-	-	-	-	35 668	37 559	39 579
Remuneration of councillors	-	-	-	-	-	-	-	3 134	3 322	3 521
Depreciation & asset impairment	-	-	-	-	-	-	-	2 267	2 275	2 284
Finance charges	-	-	-	-	-	-	-	378	395	414
Materials and bulk purchases	-	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	120	120	120
Other expenditure	-	-	-	-	-	-	-	23 170	26 199	24 257
<b>Total Expenditure</b>	-	-	-	-	-	-	-	64 735	69 871	70 174
<b>Surplus/(Deficit)</b>	-	-	-	-	-	-	-	(8 144)	(1 329)	(2 522)
Transfers and subsidies - capital (monetary allocated)	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	-	-	-	-	-	-	(8 144)	(1 329)	(2 522)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	-	-	-	-	-	-	-	(8 144)	(1 329)	(2 522)
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	-	-	-	-	-	-	-	110	-	-
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	110	-	-
<b>Total sources of capital funds</b>	-	-	-	-	-	-	-	110	-	-
<b>Financial position</b>										
Total current assets	-	-	-	-	-	-	-	17 849	20 657	21 980
Total non current assets	-	-	-	-	-	-	-	4 700	2 425	141
Total current liabilities	-	-	-	-	-	-	-	3 885	4 234	4 198
Total non current liabilities	-	-	-	-	-	-	-	21 672	23 185	24 783
Community wealth/Equity	-	-	-	-	-	-	-	(3 008)	(4 337)	(6 859)
<b>Cash flows</b>										
Net cash from (used) operating	-	-	-	-	-	-	-	8 767	3 015	1 321
Net cash from (used) investing	-	-	-	-	-	-	-	(110)	-	-
Net cash from (used) financing	-	-	-	-	-	-	-	(37)	(14)	-
<b>Cash/cash equivalents at the year end</b>	-	-	-	-	-	-	-	17 268	20 269	21 590
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	-	-	-	-	-	-	-	17 268	20 269	21 590
Application of cash and investments	-	-	-	-	-	-	-	1 321	1 706	1 556
<b>Balance - surplus (shortfall)</b>	-	-	-	-	-	-	-	15 947	18 563	20 034
<b>Asset management</b>										
Asset register summary (WDV)	-	-	-	-	-	-	-	4 700	2 425	141
Depreciation	-	-	-	-	-	-	-	2 267	2 275	2 284
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-	-	471	479	487
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sew erage:	-	-	-	-	-	-	-	-	-	-
Energy :	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

**Explanatory notes to MBRR Table A1 - Budget Summary**

1. Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasize the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
  - b. Capital expenditure is balanced by capital funding sources, of which
    - i. Transfers recognised is reflected on the Financial Performance Budget;
    - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
    - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was paying much attention to managing this aspect of its finances, and consequently many of its obligations are cash-backed. However, due to the constant operating deficits as well as the minimal increases in the equitable share allocation, the municipality's reserves are depleting at a significant rate.

**Table 10 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

Functional Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		-	-	-	-	-	-	42 076	50 346	51 938
Executive and council		-	-	-	-	-	-	6 966	6 323	6 692
Finance and administration		-	-	-	-	-	-	35 110	44 023	45 246
Internal audit		-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>		-	-	-	-	-	-	2 778	2 796	2 817
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	350	368	389
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	2 428	2 428	2 428
<i><b>Economic and environmental services</b></i>		-	-	-	-	-	-	11 737	15 399	12 897
Planning and development		-	-	-	-	-	-	2 915	6 141	3 187
Road transport		-	-	-	-	-	-	1 022	1 084	1 149
Environmental protection		-	-	-	-	-	-	7 800	8 174	8 561
<i><b>Trading services</b></i>		-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i><b>Other</b></i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	-	-	-	-	-	-	56 591	68 541	67 652
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		-	-	-	-	-	-	36 413	37 150	39 100
Executive and council		-	-	-	-	-	-	16 650	16 269	17 044
Finance and administration		-	-	-	-	-	-	18 509	19 561	20 666
Internal audit		-	-	-	-	-	-	1 255	1 320	1 390
<i><b>Community and public safety</b></i>		-	-	-	-	-	-	8 881	9 295	9 744
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	4 349	4 549	4 771
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	4 531	4 746	4 973
<i><b>Economic and environmental services</b></i>		-	-	-	-	-	-	17 329	21 204	18 995
Planning and development		-	-	-	-	-	-	7 832	11 246	8 554
Road transport		-	-	-	-	-	-	1 022	1 084	1 149
Environmental protection		-	-	-	-	-	-	8 475	8 874	9 293
<i><b>Trading services</b></i>		-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i><b>Other</b></i>	4	-	-	-	-	-	-	2 113	2 221	2 335
<b>Total Expenditure - Functional</b>	3	-	-	-	-	-	-	64 735	69 871	70 174
<b>Surplus/(Deficit) for the year</b>		-	-	-	-	-	-	(8 144)	(1 329)	(2 522)

**Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

- Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 7 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
- Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.

**Table 11 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - Municipal Manager		-	-	-	-	-	-	3 649	2 642	2 790
Vote 2 - Manager: Corporate Services		-	-	-	-	-	-	4 348	4 759	5 035
Vote 3 - Manager: Economic Development		-	-	-	-	-	-	10 715	14 315	11 748
Vote 4 - Manager: Environmental Health		-	-	-	-	-	-	2 778	2 796	2 817
Vote 5 - Manager: Finance		-	-	-	-	-	-	34 079	42 945	44 113
Vote 6 - Manager: Roads		-	-	-	-	-	-	1 022	1 084	1 149
<b>Total Revenue by Vote</b>	2	-	-	-	-	-	-	<b>56 591</b>	<b>68 541</b>	<b>67 652</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Municipal Manager		-	-	-	-	-	-	17 905	17 589	18 434
Vote 2 - Manager: Corporate Services		-	-	-	-	-	-	12 782	13 337	13 926
Vote 3 - Manager: Economic Development		-	-	-	-	-	-	17 744	21 642	19 449
Vote 4 - Manager: Environmental Health		-	-	-	-	-	-	9 555	9 995	10 476
Vote 5 - Manager: Finance		-	-	-	-	-	-	5 727	6 224	6 741
Vote 6 - Manager: Roads		-	-	-	-	-	-	1 022	1 084	1 149
<b>Total Expenditure by Vote</b>	2	-	-	-	-	-	-	<b>64 735</b>	<b>69 871</b>	<b>70 174</b>
<b>Surplus/(Deficit) for the year</b>	2	-	-	-	-	-	-	<b>(8 144)</b>	<b>(1 329)</b>	<b>(2 522)</b>

**Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote.

**Table 12 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
<b>Revenue By Source</b>											
Property rates	2	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - other		–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		–	–	–	–	–	–	–	917	963	1 011
Interest earned - external investments		–	–	–	–	–	–	–	2 260	3 020	2 800
Interest earned - outstanding debtors		–	–	–	–	–	–	–	60	60	60
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		–	–	–	–	–	–	–	5	5	5
Licences and permits		–	–	–	–	–	–	–	–	–	–
Agency services		–	–	–	–	–	–	–	8 823	9 258	9 710
Transfers and subsidies		–	–	–	–	–	–	–	44 527	55 236	54 066
Other revenue	2	–	–	–	–	–	–	–	–	–	–
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–	–
<b>Total Revenue (excluding capital transfers and contributions)</b>		–	–	–	–	–	–	–	<b>56 591</b>	<b>68 541</b>	<b>67 652</b>
<b>Expenditure By Type</b>											
Employee related costs	2	–	–	–	–	–	–	–	35 668	37 559	39 579
Remuneration of councillors		–	–	–	–	–	–	–	3 134	3 322	3 521
Debt impairment	3	–	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	2	–	–	–	–	–	–	–	2 267	2 275	2 284
Finance charges		–	–	–	–	–	–	–	378	395	414
Bulk purchases	2	–	–	–	–	–	–	–	–	–	–
Other materials	8	–	–	–	–	–	–	–	–	–	–
Contracted services		–	–	–	–	–	–	–	12 238	15 337	12 979
Transfers and subsidies		–	–	–	–	–	–	–	120	120	120
Other expenditure	4, 5	–	–	–	–	–	–	–	10 932	10 862	11 278
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–
<b>Total Expenditure</b>		–	–	–	–	–	–	–	<b>64 735</b>	<b>69 871</b>	<b>70 174</b>
<b>Surplus/(Deficit)</b>		–	–	–	–	–	–	–	<b>(8 144)</b>	<b>(1 329)</b>	<b>(2 522)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher	6	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		–	–	–	–	–	–	–	<b>(8 144)</b>	<b>(1 329)</b>	<b>(2 522)</b>
Taxation		–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after taxation</b>		–	–	–	–	–	–	–	<b>(8 144)</b>	<b>(1 329)</b>	<b>(2 522)</b>
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) attributable to municipality</b>		–	–	–	–	–	–	–	<b>(8 144)</b>	<b>(1 329)</b>	<b>(2 522)</b>
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) for the year</b>		–	–	–	–	–	–	–	<b>(8 144)</b>	<b>(1 329)</b>	<b>(2 522)</b>

**Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)**

1. Total revenue is R59.59 million in 2017/18 and increases to R67.65 million by 2018/19. This represents a decrease of 13.52% from total revenue in 2017/18 to 2019/20.
2. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government has increased over the MTREF by 21.42% from 2017/18 to 2019/20.

**Table 13 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

Vote Description R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Capital Expenditure - Functional</b>											
<i>Governance and administration</i>		-	-	-	-	-	-	-	110	-	-
Executive and council		-	-	-	-	-	-	-	78	-	-
Finance and administration		-	-	-	-	-	-	-	32	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	-	-	-	-	-	-	-	110	-	-
<b>Funded by:</b>											
National Government		-	-	-	-	-	-	-	-	-	-
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	-	-	-	-	-	-	-	-	-	-
<b>Public contributions &amp; donations</b>	5	-	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		-	-	-	-	-	-	-	110	-	-
<b>Total Capital Funding</b>	7	-	-	-	-	-	-	-	110	-	-

**Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. Single-year capital expenditure has been appropriated at R 110 000 for the 2017/18 financial year and no budget for the outer years.
3. The capital programme is funded from capital and provincial grants and transfers and internally generated funds from current year surpluses.

**Table 14 MBRR Table A6 - Budgeted Financial Position**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		-	-	-	-	-	-	-	17 268	20 269	21 590
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	-	-	-	-	-	-	-	-	-	-
Other debtors		-	-	-	-	-	-	-	581	388	391
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	-	-	-	-	-	-	-	-	-	-
<b>Total current assets</b>		-	-	-	-	-	-	-	17 849	20 657	21 980
<b>Non current assets</b>											
Long-term receivables		-	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		-	-	-	-	-	-	-	806	408	7
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	-	-	-	-	-	-	-	3 528	1 828	123
Agricultural		-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		-	-	-	-	-	-	-	366	189	10
Other non-current assets		-	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		-	-	-	-	-	-	-	4 700	2 425	141
<b>TOTAL ASSETS</b>		-	-	-	-	-	-	-	22 549	23 082	22 121
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	-	-	-	-	-	-	-	-	-	-
Consumer deposits		-	-	-	-	-	-	-	-	-	-
Trade and other payables	4	-	-	-	-	-	-	-	1 867	2 101	1 946
Provisions		-	-	-	-	-	-	-	2 018	2 133	2 252
<b>Total current liabilities</b>		-	-	-	-	-	-	-	3 885	4 234	4 198
<b>Non current liabilities</b>											
Borrowing		-	-	-	-	-	-	-	14	-	-
Provisions		-	-	-	-	-	-	-	21 657	23 185	24 783
<b>Total non current liabilities</b>		-	-	-	-	-	-	-	21 672	23 185	24 783
<b>TOTAL LIABILITIES</b>		-	-	-	-	-	-	-	25 556	27 419	28 980
<b>NET ASSETS</b>	5	-	-	-	-	-	-	-	(3 008)	(4 337)	(6 859)
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		-	-	-	-	-	-	-	(3 008)	(4 337)	(6 859)
Reserves	4	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	-	-	-	-	-	-	-	(3 008)	(4 337)	(6 859)



**Explanatory notes to Table A6 - Budgeted Financial Position**

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 53 is supported by an extensive table of notes (SA3 which can be found on page 77) providing a detailed analysis of the major components of a number of items, including:
  - Call investments deposits;
  - Consumer debtors;
  - Property, plant and equipment;
  - Trade and other payables;
  - Provisions non-current;
  - Changes in net assets; and
  - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 15 MBRR Table A7 - Budgeted Cash Flow Statement

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>											
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		-	-	-	-	-	-	-	-	-	-
Service charges		-	-	-	-	-	-	-	-	-	-
Other revenue		-	-	-	-	-	-	-	9 224	10 478	10 783
Government - operating	1	-	-	-	-	-	-	-	44 527	55 236	54 066
Government - capital	1	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	2 260	3 020	2 800
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		-	-	-	-	-	-	-	(47 124)	(65 599)	(66 209)
Finance charges		-	-	-	-	-	-	-	-	-	-
Transfers and Grants	1	-	-	-	-	-	-	-	(120)	(120)	(120)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		-	-	-	-	-	-	-	8 767	3 015	1 321
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		-	-	-	-	-	-	-	(110)	-	-
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		-	-	-	-	-	-	-	(110)	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		-	-	-	-	-	-	-	(37)	(14)	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		-	-	-	-	-	-	-	(37)	(14)	-
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		-	-	-	-	-	-	-	8 619	3 001	1 321
Cash/cash equivalents at the year begin:	2	-	-	-	-	-	-	-	8 648	17 268	20 269
Cash/cash equivalents at the year end:	2	-	-	-	-	-	-	-	17 268	20 269	21 590

Table 16 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>											
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	-	-	-	-	-	-	-	17 268	20 269	21 590
Other current investments > 90 days		-	-	-	-	-	-	-	0	(0)	0
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		-	-	-	-	-	-	-	17 268	20 269	21 590
<b>Application of cash and investments</b>											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	-	-	-	-	-	-	-	1 321	1 706	1 556
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		-	-	-	-	-	-	-	1 321	1 706	1 556
<b>Surplus(shortfall)</b>		-	-	-	-	-	-	-	15 947	18 563	20 034

## Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

3. It can be seen that the cash levels of the municipality are steady over the 2017/18 to 2019/20.
4. The municipality needs to urgently address the significant decrease in cash reserves over the MTREF period and prioritize expenditure and also look at cost cutting mechanisms.
5. The 2016/17 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
6. Cash and cash equivalents totals R17.27 million as at the end of the 2017/18 financial year and increases to R21.59 million by 2019/20.

**Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

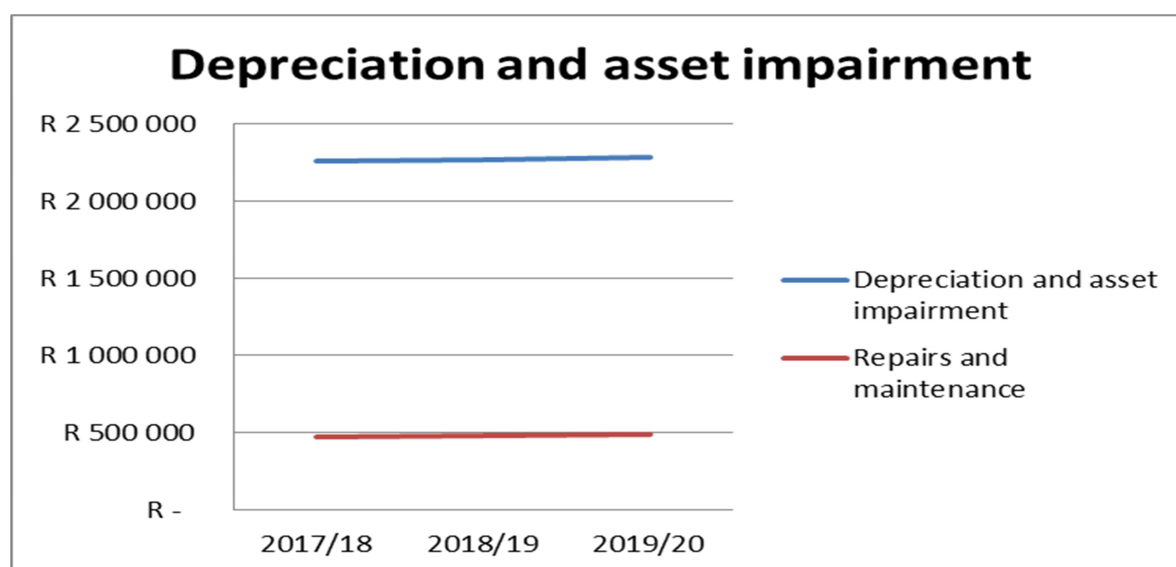
1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2017/18 to 2019/20 the surplus increased from R15.95 million to R20.03 million.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2017/18 MTREF was fully funded due to the surplus indicated.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2017/18 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table 17 MBRR Table A9 - Asset Management

<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		-	-	-	-	-	-	110	-	-
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	806	408	7	
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	806	408	7	
Operational Buildings		-	-	-	-	-	99	99	99	
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	-	-	-	-	99	99	99	
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	366	189	10	
<b>Intangible Assets</b>		-	-	-	-	-	366	189	10	
Computer Equipment		-	-	-	-	-	911	458	3	
Furniture and Office Equipment		-	-	-	-	-	1 740	872	3	
Machinery and Equipment		-	-	-	-	-	88	49	8	
Transport Assets		-	-	-	-	-	690	350	10	
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	-	-	-	-	-	4 700	2 425	141	
<b>EXPENDITURE OTHER ITEMS</b>		-	-	-	-	-	-	-	-	-
<b>Depreciation</b>	7	-	-	-	-	-	2 267	2 275	2 284	
<b>Repairs and Maintenance by Asset Class</b>	3	-	-	-	-	-	471	479	487	
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	300	300	300	
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	-	-	-	-	300	300	300	
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	20	21	22	
<b>Intangible Assets</b>		-	-	-	-	-	20	21	22	
Computer Equipment		-	-	-	-	-	62	65	68	
Furniture and Office Equipment		-	-	-	-	-	33	34	36	
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	56	59	61	
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		-	-	-	-	-	2 738	2 754	2 772	
<b>Renewal and upgrading of Existing Assets as % of total capex</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
<b>Renewal and upgrading of Existing Assets as % of deprecn</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
<b>R&amp;M as a % of PPE</b>		0.0%	0.0%	0.0%	0.0%	0.0%	13.4%	26.2%	395.5%	
<b>Renewal and upgrading and R&amp;M as a % of PPE</b>		0.0%	0.0%	0.0%	0.0%	0.0%	10.0%	20.0%	347.0%	

### Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The municipality meets both these recommendations.
3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the municipality's strategy to address the maintenance backlog.



**Figure 2 Depreciation in relation to repairs and maintenance over the MTREF**

Table 18 MBRR Table A10 - Basic Service Delivery Measurement

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Energy:</b>										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Refuse:</b>										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>										
<b>Total cost of FBS provided</b>		-	-	-	-	-	-	-	-	-
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)		-	-	-	-	-	-	-	-	-
Water (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		-	-	-	-	-	-	-	-	-
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies	6	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Total revenue cost of subsidised services provided</b>		-	-	-	-	-	-	-	-	-

## 2 Part 2 – Supporting Documentation

### 2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aim of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality; and
- That the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

#### 2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2015) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 25 August 2016. Key dates applicable to the process were:

- **August 2016** – The Mayor of the municipality submits the new budget process and timeframes to the Council for approval;
- **August 2016** – Advertisement (website, local newspapers and notice boards) of budget process and time schedules. This advertisement should be done within 5 days of the submission of the plan to Council;
- **September 2016** – Review all external mechanisms to ensure that all possible changes with agreements which may have an impact on the next budget are considered;
- **September 2016** – Based on the financial statements of the previous year and the results of performance investigations consider the financial position and capacity of the Municipality to determine the impact thereof on future strategies and budgets;
- **October 2016** – In consultation with the Mayoral Committee, determine future priority areas for the Municipality to guide the budget allocations and IDP plans. Identify all factors which may have an impact on future budgets and determine broad financial

frameworks. Determine possible income/funding which may become available for the next three years;

- **November 2016** – Consultation with B-Municipalities;
- **December 2016** – Municipality derives inputs from National and Provincial Government and other bodies about factors which may influence the budget:
- **31 January 2017** – Preparation of draft IDP and capital and operational plans with costs and income projections. Incorporate in the first SDBIP. Preparation of projections of functional allocations based on past performance and adjusts with known factors, known obligations and asset maintenance requirements. Finalization of preliminary options for the IDP and budget for the next three years.
- **February 2017** – Consult Mayoral Committee about the preliminary budget, tariff adjustments and IDP medium term proposals. Mayoral Committee discusses the preliminary budget, tariff adjustments and IDP proposals in consideration with the priorities and objectives which are included in the medium term proposals. Go ahead with the finalization of the detailed operational plans and budgets. Incorporate the objectives and operational plans in the draft Service Delivery and Budget Implementation Plan. National and Provincial accountancy officials finalize any adjustments towards the projected allocations for the next three years no later than their own budgets. The finalization of detailed draft budget for the next three years in accordance with the prescribed format.
- **March 2017** – Incorporate the draft budget proposals and monthly projections of Income, expenditure, capital and of Income per Source in the draft Service Delivery and Budget Implementation Plan. Mayoral Committee receive the budget, draft SDBIP and updates to the IDP. Mayoral Committee considers the budget. Mayor submit budget, tariffs, draft SDBIP and updated IDP to Council by 31 March. The Council debates the budget and updated IDP.
- **April 2017** – Send a copy of the budget, tariffs, draft SDBIP and changes in the IDP to National and Provincial Government for inputs. Consultation with the community should take place regarding the budget, tariffs, IDP and performance objectives and indicators in the draft SDBIP.
- **May 2017** – Receive and analyze additional inputs of the communities, National and Provincial Government. Incorporate feedback from the community and National and Provincial Government and if necessary, review the budget, tariffs, draft SDBIP and IDP before submission to Council. Mayor submits the review budget, tariffs and IDP with consideration of the inputs of the community and Council – no later than 31 May. Municipal Council approves the IDP and budget before 31 May.
- **June 2017** – Publication of the budget, tariffs and IDP send a copy of the approved budget to the National and Provincial Government (for notification). Submit draft SDBIP and draft performance agreements of the Municipal Manager and Senior Managers to the Executive Mayor for approval. Approval of SDBIP and performance agreements.
- **July 2017** – Advertise the SDBIP and performance agreements (notification). Submission of performance agreements to the MEC of Local and Provincial Government



(special council meeting). Implementation of the budget. Start with the preparation of the next budget.

- **January 2018** – Review the budget, if necessary.

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council.

### 2.1.2 Integrated Development Plan

The IDP for the Namakwa District Municipality is presented in the context of the National Development Plan which has identified various central challenges. These challenges have a direct impact on the development and growth in this area.

The central challenges identified in the plan are:

- Unemployment
- Poor quality of education
- Ineffective economic infrastructure, poorly located, under-maintained and insufficient to support sustainable growth.
- Spatial Development patterns exclude the poor from benefitting from the fruits of development.
- The economy needs transformation in terms of resource management and use.
- Ineffective public health system
- Public services are uneven and often of poor quality.
- Corrupt activities.
- Transform in coherent South African society.

To create the better life for the people of Namakwa the focus and align activities in line with priorities as identified in the National Development Plan – Vision 2030;

- Creating jobs and livelihoods;
- Expanding infrastructure;
- Transitioning to a low-carbon economy;
- Improving education and training;
- Providing quality healthcare;
- Building a capable state;
- Fighting corruption and enhancing accountability;
- Transforming society and uniting the nation.

The Namakwa District Municipality, Councillors and officials had certain work sessions in which developmental issues were discussed and conclusions reached regarding the future role and function of the District. These sessions were held during 2016 and 2017 and a 5 year development vision, mission and strategic objectives for the District were formulated.

### 2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2017/18 MTREF extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability of the municipality. The following key factors and planning strategies have informed the compilation of the 2017/18 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Performance trends
- The approved 2016/17 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51 and 54 has been taken into consideration in the planning and prioritisation process.

## 2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPis);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP.

The Namakwa District Municipality embark during March 2017 with a strategic session to review the priorities, challenges and programme of action for the next 1-5 years. The outcome of this strategic session was included in the 2017/18 IDP.

**Table 19 IDP Strategic Objectives**

These projects include detailed information of projects on an annual basis. The annual implementation plan will be included in 2017/2018 Service Delivery Budget Implementation Plan (SDBIP). These projects are sorted in terms of the municipal KPA's of Namakwa District Municipality.

Director	Sub-Votes	Project	Project Number	Budget Year 2017/18	Budget Year 2018/19	Budget Year 2019/20
Vote 1 - Municipal Manager	1.1 - Council: Councillors	Operational :Municipal Running Cost	00001	2 001 484	2 115 348	2 235 334
Vote 1 - Municipal Manager	1.10 - Speaker - PA	Operational :Maintenance - Non-infrastructure - Corrective Maintenance - Emergency - Computer Equipment	00002	1 350	1 413	1 478
Vote 1 - Municipal Manager	1.10 - Speaker - PA	Operational :Municipal Running Cost	00003	508 823	536 682	566 091
Vote 1 - Municipal Manager	1.2 - Council Expenditure	Operational :Infrastructure Projects - New - Water Supply Infrastructure - Boreholes	00004	950 000	-	-
Vote 1 - Municipal Manager	1.2 - Council Expenditure	Operational :Maintenance - Non-infrastructure - Preventative Maintenance - Interval Based - Furniture and Office Equipment	00005	26 000	27 222	28 474
Vote 1 - Municipal Manager	1.2 - Council Expenditure	Operational :Maintenance - Non-infrastructure - Preventative Maintenance - Interval Based - Intangible Assets - Licences and Rights - Computer Software and Applications	00006	20 000	20 940	21 903
Vote 1 - Municipal Manager	1.2 - Council Expenditure	Operational :Municipal Running Cost	00007	3 837 443	3 915 236	4 015 693
Vote 1 - Municipal Manager	1.2 - Council Expenditure	Operational :Typical Work Streams - Community Development - Community Initiatives	00008	800 000	837 600	876 130
Vote 1 - Municipal Manager	1.2 - Council Expenditure	Operational :Typical Work Streams - Expanded Public Works Programme - Project	00009	50 000	-	-
Vote 1 - Municipal Manager	1.2 - Council Expenditure	Operational :Typical Work Streams - Strategic Management and Governance - IDP Planning and Revision	00010	100 000	-	-
Vote 1 - Municipal Manager	1.2 - Council Expenditure	Capital: Non-infrastructure - New - Computer Equipment	00011	30 000	-	-
Vote 1 - Municipal Manager	1.3 - Executive Mayor	Operational :Maintenance - Non-infrastructure - Corrective Maintenance - Emergency - Computer Equipment	00012	1 400	1 466	1 533
Vote 1 - Municipal Manager	1.3 - Executive Mayor	Operational :Municipal Running Cost	00013	1 118 492	1 182 356	1 249 714
Vote 1 - Municipal Manager	1.3 - Executive Mayor	Operational :Typical Work Streams - AIDS/HIV, Tuberculosis and Cancer - Aids Day	00014	30 000	31 410	32 855
Vote 1 - Municipal Manager	1.3 - Executive Mayor	Operational :Typical Work Streams - AIDS/HIV, Tuberculosis and Cancer - Awareness and Information	00015	70 000	73 290	76 661
Vote 1 - Municipal Manager	1.4 - Internal Audit and Audit Committee	Operational :Municipal Running Cost	00016	874 203	916 056	960 021
Vote 1 - Municipal Manager	1.4 - Internal Audit and Audit Committee	Operational :Typical Work Streams - Financial Management Grant - Interns Compensation	00017	550 400	582 384	616 154
Vote 1 - Municipal Manager	1.5 - Mayor - PA	Operational :Maintenance - Non-infrastructure - Corrective Maintenance - Emergency - Computer Equipment	00018	3 800	3 979	4 162
Vote 1 - Municipal Manager	1.5 - Mayor - PA	Operational :Municipal Running Cost	00019	1 642 420	1 730 207	1 822 894
Vote 1 - Municipal Manager	1.6 - Municipal Manager	Operational :Maintenance - Non-infrastructure - Corrective Maintenance - Emergency - Computer Equipment	00020	1 300	1 361	1 424
Vote 1 - Municipal Manager	1.6 - Municipal Manager	Operational :Municipal Running Cost	00021	1 525 491	1 601 943	1 682 570
Vote 1 - Municipal Manager	1.6 - Municipal Manager	Capital: Non-infrastructure - New - Computer Equipment	00022	48 000	-	-
Vote 1 - Municipal Manager	1.7 - Municipal Manager - Admin	Operational :Municipal Running Cost	00023	2 886 210	3 052 994	3 229 535
Vote 1 - Municipal Manager	1.9 - Speaker	Operational :Maintenance - Non-infrastructure - Corrective Maintenance - Emergency - Computer Equipment	00024	1 500	1 571	1 643
Vote 1 - Municipal Manager	1.9 - Speaker	Operational :Municipal Running Cost	00025	848 533	897 270	948 689
Vote 2 - Manager: Corporate	2.1 - Administration	Operational :Maintenance - Non-infrastructure - Corrective Maintenance - Emergency - Computer Equipment	00026	11 000	11 517	12 047
Vote 2 - Manager: Corporate	2.1 - Administration	Operational :Municipal Running Cost	00027	3 677 044	3 857 074	4 055 892
Vote 2 - Manager: Corporate	2.1 - Administration	Operational :Typical Work Streams - Asset Protection - Vehicle Management System	00028	627 536	660 672	695 772

Director	Sub-Votes	Project	Project Number	Budget Year 2017/18	Budget Year 2018/19	Budget Year 2019/20
Vote 2 - Manager: Corporate	2.1 - Administration	Capital: Non-infrastructure - New - Computer Equipment	00029	17 000	-	-
Vote 2 - Manager: Corporate	2.2 - Human Resources	Operational: Maintenance - Non-infrastructure - Corrective Maintenance - Emergency - Computer Equipment	00030	5 300	5 549	5 804
Vote 2 - Manager: Corporate	2.2 - Human Resources	Operational: Municipal Running Cost	00031	5 185 072	5 445 081	5 716 814
Vote 2 - Manager: Corporate	2.2 - Human Resources	Operational: Typical Work Streams - Capacity Building Training and Development - Centre of Excellence Multipurpose	00032	157 985	165 410	173 019
Vote 2 - Manager: Corporate	2.2 - Human Resources	Operational: Typical Work Streams - Capacity Building Training and Development - Leadership Development	00033	97 985	102 590	107 309
Vote 2 - Manager: Corporate	2.2 - Human Resources	Operational: Typical Work Streams - Capacity Building Training and Development - Workshops, Seminars and Subject Matter Training	00034	167 985	175 880	183 971
Vote 2 - Manager: Corporate	2.2 - Human Resources	Operational: Typical Work Streams - District Initiatives and Assistance to Municipalities - Assistance to Local Municipalities (Capacity Building)	00035	76 076	79 652	83 316
Vote 2 - Manager: Corporate	2.2 - Human Resources	Operational: Typical Work Streams - Human Resources - Employee Assistance Programme	00036	10 000	10 470	10 952
Vote 2 - Manager: Corporate	2.3 - Council Buildings	Operational: Maintenance - Non-infrastructure - Preventative Maintenance - Condition Based - Other Assets - Operational Buildings - Municipal Offices - Buildings	00037	300 000	300 000	300 000
Vote 2 - Manager: Corporate	2.3 - Council Buildings	Operational: Municipal Running Cost	00038	1 313 609	1 358 212	1 403 918
Vote 2 - Manager: Corporate	2.4 - Council Vehicles	Operational: Maintenance - Non-infrastructure - Preventative Maintenance - Condition Based - Transport Assets	00039	56 000	58 632	61 329
Vote 2 - Manager: Corporate	2.4 - Council Vehicles	Operational: Typical Work Streams - Asset Protection - Vehicle Management System	00040	1 077 887	1 086 441	1 095 206
Vote 3 - Manager: Economic	3.1 - Economic Development	Operational: Maintenance - Non-infrastructure - Corrective Maintenance - Emergency - Computer Equipment	00041	3 100	3 246	3 395
Vote 3 - Manager: Economic	3.1 - Economic Development	Operational: Municipal Running Cost	00042	757 191	799 133	843 388
Vote 3 - Manager: Economic	3.5 - Tourism	Operational: Maintenance - Non-infrastructure - Corrective Maintenance - Emergency - Computer Equipment	00043	3 100	3 246	3 395
Vote 3 - Manager: Economic	3.5 - Tourism	Operational: Municipal Running Cost	00044	1 564 090	1 652 652	1 746 390
Vote 3 - Manager: Economic	3.5 - Tourism	Operational: Typical Work Streams - Tourism - Tourism Development	00045	236 000	241 217	246 563
Vote 3 - Manager: Economic	3.5 - Tourism	Operational: Typical Work Streams - Tourism - Tourism Projects	00046	294 000	307 583	321 502
Vote 3 - Manager: Economic	3.6 - Working for Water	Operational: Maintenance - Non-infrastructure - Corrective Maintenance - Emergency - Computer Equipment	00047	2 200	2 303	2 409
Vote 3 - Manager: Economic	3.6 - Working for Water	Operational: Maintenance - Non-infrastructure - Corrective Maintenance - Emergency - Furniture and Office Equipment	00048	2 200	2 303	2 409
Vote 3 - Manager: Economic	3.6 - Working for Water	Operational: Typical Work Streams - Environmental - Alien and Invasive Trees	00049	7 781 581	8 154 793	8 540 562
Vote 3 - Manager: Economic	3.7 - Planning	Operational: Municipal Running Cost	00050	1 671 966	4 814 704	1 774 559
Vote 3 - Manager: Economic	3.8 - Council Projects	Operational: Maintenance - Non-infrastructure - Corrective Maintenance - Emergency - Computer Equipment	00051	8 500	8 900	9 309
Vote 3 - Manager: Economic	3.8 - Council Projects	Operational: Municipal Running Cost	00052	2 015 817	2 098 175	2 202 823
Vote 3 - Manager: Economic	3.8 - Council Projects	Operational: Typical Work Streams - Strategic Management and Governance - Master plan	00053	2 898 000	3 018 000	3 187 000
Vote 3 - Manager: Economic	3.9 - Project Management	Operational: Maintenance - Non-infrastructure - Corrective Maintenance - Emergency - Computer Equipment	00054	1 700.00	1 779.90	1 861.78
Vote 3 - Manager: Economic	3.9 - Project Management	Operational: Municipal Running Cost	00055	497 634.76	526 369.75	556 764.14
Vote 3 - Manager: Economic	4.2 - Environmental Health	Operational: Maintenance - Non-infrastructure - Corrective Maintenance - Emergency - Computer Equipment	00056	4 450.00	4 659.15	4 873.47
Vote 3 - Manager: Economic	4.2 - Environmental Health	Operational: Maintenance - Non-infrastructure - Corrective Maintenance - Emergency - Furniture and Office Equipment	00057	550.00	575.85	602.34
Vote 3 - Manager: Economic	4.2 - Environmental Health	Operational: Municipal Running Cost	00058	5 056 286.62	5 290 590.29	5 543 083.28
Vote 3 - Manager: Economic	4.2 - Environmental Health	Operational: Typical Work Streams - Health and Welfare - Municipal Health Service	00059	45 000.00	45 235.00	45 475.81
Vote 3 - Manager: Economic	4.2 - Environmental Health	Operational: Municipal Running Cost	00060	43 861.44	46 493.13	49 282.71
Vote 3 - Manager: Economic	4.5 - Safety	Operational: Maintenance - Non-infrastructure - Corrective Maintenance - Emergency - Computer Equipment	00061	4 150.00	4 345.05	4 544.92
Vote 3 - Manager: Economic	4.5 - Safety	Operational: Maintenance - Non-infrastructure - Corrective Maintenance - Emergency - Furniture and Office Equipment	00062	4 150.00	4 345.05	4 544.92
Vote 3 - Manager: Economic	4.5 - Safety	Operational: Municipal Running Cost	00063	4 328 086.25	4 526 960.40	4 747 650.84
Vote 5 - Manager: Finance	5.1 - Finance	Operational: Maintenance - Non-infrastructure - Corrective Maintenance - Emergency - Computer Equipment	00064	9 376.00	9 816.67	10 268.24
Vote 5 - Manager: Finance	5.1 - Finance	Operational: Municipal Running Cost	00065	4 978 764.32	5 250 990.80	5 538 654.14
Vote 5 - Manager: Finance	5.1 - Finance	Operational: Typical Work Streams - Financial Management Grant - Interns Compensation	00066	137 600.00	145 596.00	154 038.60
Vote 5 - Manager: Finance	5.1 - Finance	Operational: Typical Work Streams - Financial Management Grant - Financial Systems	00067	400 000.00	607 406.00	635 346.68
Vote 5 - Manager: Finance	5.1 - Finance	Operational: Typical Work Streams - Financial Management Grant - Financial Statements	00068	150 000.00	157 050.00	164 274.30
Vote 5 - Manager: Finance	5.1 - Finance	Operational: Typical Work Streams - Financial Management Grant - Audit Outcomes	00069	12 000.00	12 564.00	195 186.02
Vote 5 - Manager: Finance	5.1 - Finance	Capital: Non-infrastructure - New - Computer Equipment	00070	15 000.00	-	-
Vote 6 - Manager: Roads	6.1 - Plant and Equipment	Operational: Municipal Running Cost	00071	285 427.43	302 553.08	320 706.26
Vote 6 - Manager: Roads	6.2 - Roads	Operational: Municipal Running Cost	00072	736 902.12	781 116.25	827 983.23
		Total 2017/18		64 656 010	69 672 609	134 328 619

In order to ensure integrated and focused service delivery between all spheres of government it was important for the municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the municipality. The five-year programme responds to the development challenges and opportunities faced by the municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the municipality and other service delivery partners.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the fourth revised IDP, including:

- Strengthening the analysis and strategic planning processes of the municipality;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2017/18 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

**Table 20 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue**

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand												
Financial Viability and Sustainability	Strategic and sustainable budgeting. Grow and diversify our revenues and Value for money expenditure	A		-	-	-	-	-	-	34 079	42 945	44 113
Good Governance	Ensure accessibility and promote governance	B		-	-	-	-	-	-	7 997	7 401	7 825
Quality Living Environment	Meet service needs and address backlogs	C		-	-	-	-	-	-	1 022	1 084	1 149
Safe, Healthy and Secure Environment	Promoting the safety of citizens	D		-	-	-	-	-	-	2 778	2 796	2 817
Sustaining the Natural and Built Environment	Climate protection and pollution minimisation	E		-	-	-	-	-	-	10 715	14 315	11 748
Allocations to other priorities				2								
Total Revenue (excluding capital transfers and contributions)				1	-	-	-	-	-	56 591	68 541	67 652

**Table 21 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure**

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand												
Financial Viability and Sustainability	Strategic and sustainable budgeting. Grow and diversify our revenues and Value for	A		-	-	-	-	-	-	5 727	6 224	6 741
Good Governance	Ensure accessibility and promote governance	B		-	-	-	-	-	-	32 799	33 147	34 694
Quality Living Environment	Meet service needs and address backlogs	C		-	-	-	-	-	-	1 022	1 084	1 149
Safe, Healthy and Secure Environment	Promoting the safety of citizens	D		-	-	-	-	-	-	9 555	9 995	10 476
Sustaining the Natural and Built Environment	Climate protection and pollution minimisation	E		-	-	-	-	-	-	15 632	19 421	17 114
Allocations to other priorities												
Total Expenditure				1	-	-	-	-	-	64 735	69 871	70 174



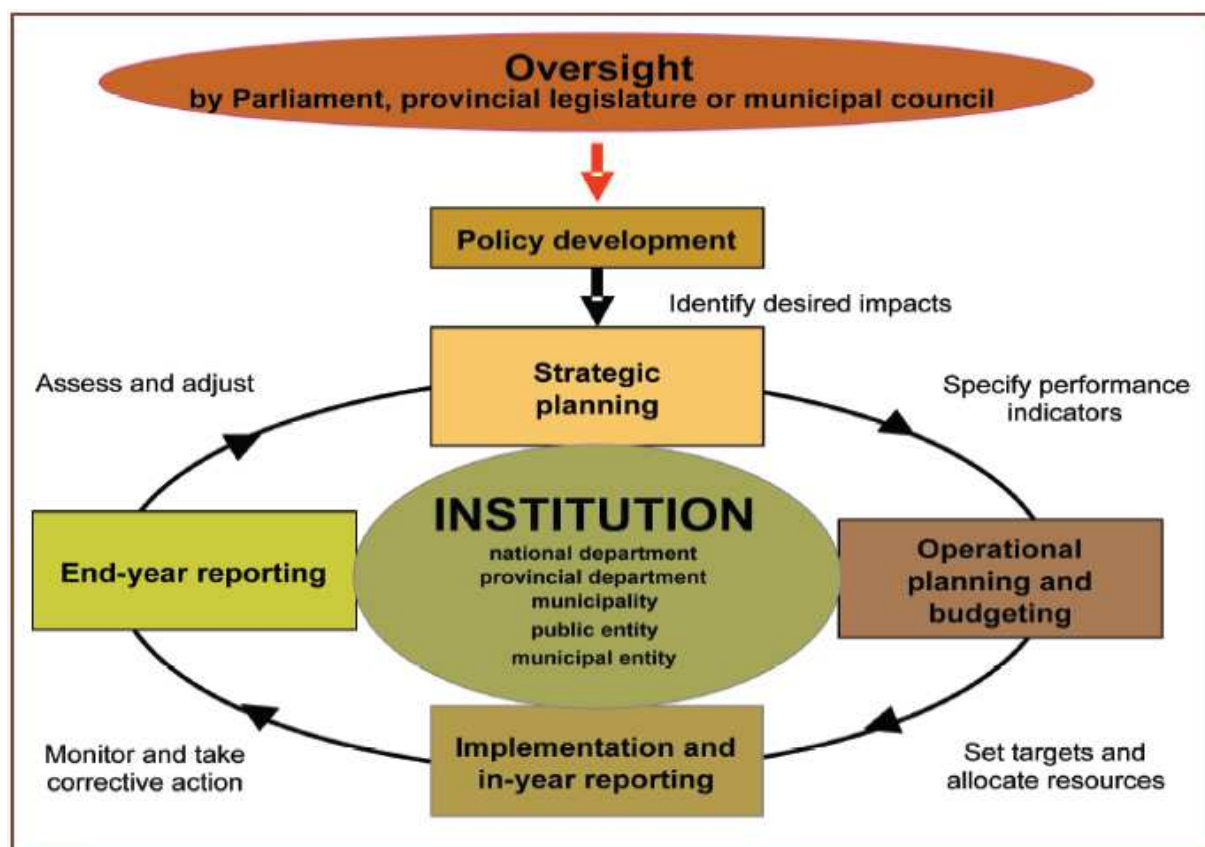
**Table 22 MBRR Table SA7 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure**

Description	Unit of measurement	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Vote 1 - vote name</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Function 1 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 1 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 2 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 3 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Function 2 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 1 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 2 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 3 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Vote 2 - vote name</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Function 1 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 1 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 2 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 3 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Function 2 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 1 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 2 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 3 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Vote 3 - vote name</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Function 1 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 1 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 2 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 3 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Function 2 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 1 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 2 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 3 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>And so on for the rest of the Votes</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

## 2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

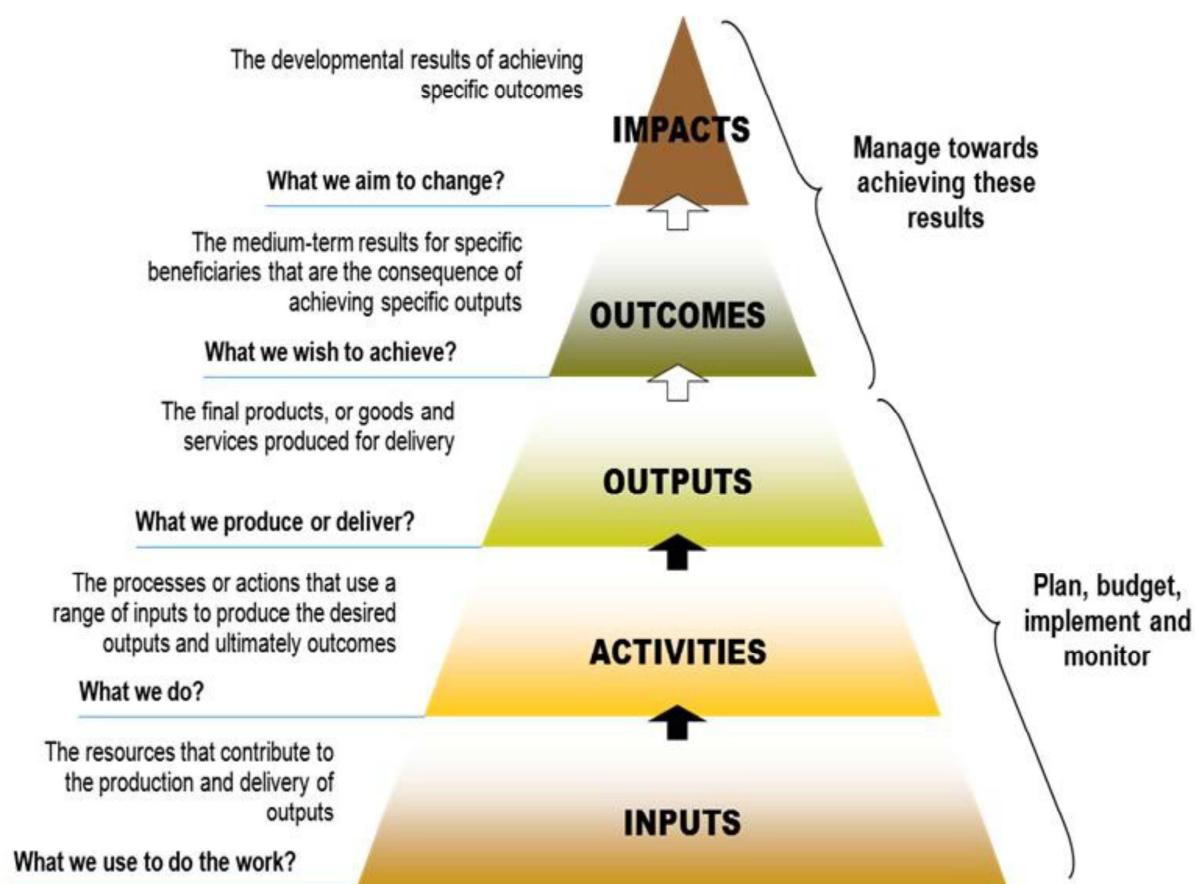


**Figure 3 Planning, budgeting and reporting cycle**

The performance of the municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:



**Figure 4 Definition of performance information concepts**

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 23 MBRR Table SA7 - Measurable performance objectives

Description	Unit of measurement	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Vote 1 - vote name</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Function 1 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 1 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 2 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 3 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Function 2 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 1 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 2 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 3 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Vote 2 - vote name</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Function 1 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 1 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 2 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 3 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Function 2 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 1 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 2 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 3 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Vote 3 - vote name</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Function 1 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 1 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 2 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 3 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Function 2 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 1 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 2 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Sub-function 3 - (name)</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Insert measure/s description</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>And so on for the rest of the Votes</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

The following table sets out the municipalities main performance objectives and benchmarks for the 2017/18 MTREF.

**Table 24 MBRR Table SA8 - Performance indicators and benchmarks**

Description of financial indicator	Basis of calculation	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b><u>Borrowing Management</u></b>											
Credit Rating		0	0	0	0	0	0	0			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	0.6%	0.6%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.4%	3.1%	3.0%
Borrowed funding of 'own n' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>											
Current Ratio	Current assets/current liabilities	-	-	-	-	-	-	-	4.6	4.9	5.2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	-	-	-	-	-	-	-	4.6	4.9	5.2
Liquidity Ratio	Monetary Assets/Current Liabilities	-	-	-	-	-	-	-	4.4	4.8	5.1
<b><u>Revenue Management</u></b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	0.6%	0.6%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Creditors Management</u></b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.8%	10.4%	9.0%
<b><u>Other Indicators</u></b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)		0	0	0	0	0	0	0	0	0
	Total Cost of Losses (Rand '000)		-	-	-	-	-	-	-	-	-
	% Volume (units purchased and generated less units sold)/units purchased and generated		-	-	-	-	-	-	-	-	-
Water Distribution Losses (2)	Total Volume Losses (kℓ)		-	-	-	-	-	-	-	-	-
	Total Cost of Losses (Rand '000)		0	0	0	0	0	0	0	0	0
	% Volume (units purchased and generated less units sold)/units purchased and generated		-	-	-	-	-	-	-	-	-
Employee costs	Employee costs/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	63.0%	54.8%	58.5%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		68.6%	59.6%	63.7%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.8%	0.7%	0.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.7%	3.9%	4.0%
<b><u>IDP regulation financial viability indicators</u></b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	-	-	-	-	-	-	-	4.0	4.8	4.9
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	63.3%	40.3%	38.6%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	-	-	-	-	-	-	-	3.7	4.0	4.2

### 2.3.1 Performance indicators and benchmarks

#### 2.3.1.1 Safety of Capital

- *The gearing ratio* is a measure of the total long term borrowings over funds and reserves. Between 2017/18 and 2019/20 the gearing ratio peaked at 0 percent. This was primarily a result of the zero borrowing levels and increased funds and reserves.

#### 2.3.1.2 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2016/17 MTREF the current ratio is 4.6. 4.9 And 5.2 for the two outer years of the MTREF. Going forward it will be necessary to maintain these levels.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2017/18 financial year the ratio was 4.6 and 4.9 and 5.2 for the two outer years of the MTREF.

#### 2.3.1.3 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow by seeking for additional revenue sources such as implementing agency services.

#### 2.3.1.4 Creditors Management

- The municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice.

#### 2.3.1.5 Other Indicators

- In real terms, repairs and maintenance has increased as part of the municipality's strategy to ensure the management of its asset base.

## **2.4 Overview of budget related-policies**

The municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

### **2.4.1 Review of credit control and debt collection procedures/policies**

The Collection Policy was revised by Council on 20 October 2016.

### **2.4.2 Asset Management, Infrastructure Investment and Funding Policy**

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the municipality's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management, Infrastructure and Funding Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

The asset management and investment policy was revised by Council on 20 October 2016.

### **2.4.3 Budget Adjustment Policy**

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

### **2.4.4 Supply Chain Management Policy**

The Supply Chain Management Policy was revised by Council on 20 October 2016. However, this will need to be revised as part of the normal revision of Council policies.

### **2.4.5 Cash Management and Investment Policy**

The municipality's Cash Management and Investment Policy were amended by Council on 7 March 2013. The aim of the policy is to ensure that the municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents that is required at any point in time and introduces time frames to achieve certain benchmarks.

### **2.4.6 Borrowing Policy**

The municipality has approved its borrowing policy on 20 October 2016.

All the above policies are available on the municipality's website, as well as the following budget related policies:

- Funding and Reserves Policy;

### **2.4.7 Management and Disposal of Assets Policy**

The policy relating to the management and disposal of assets are an integral part of the Supply Chain Management Policy as well as the Asset Management Policy.

The municipality has revised these policies on 20 October 2016.

## **2.5 Overview of budget assumptions**

### **2.5.1 Salary increases**

The collective agreement regarding salaries/wages came into operation on 1 July 2015 and shall remain in force until 30 June 2018. Based on Circular 02, an increase of 7.36 percent was budgeted for in the 2017/18 financial year.

### **2.5.2 Impact of national, provincial and local policies**

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link



between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

### 2.5.3 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 50 per cent is achieved on operating expenditure and 95 per cent on the capital programme for the 2017/18 MTREF of which performance has been factored into the cash flow budget. The reason for the 50 percent spending rate on operating expenditure is due to the fact that the municipality has to budget for implementing agent services such as Working for Water but has to remove the operating expenditure at the end of the financial year because according to the accounting principles of GRAP, the municipality can only reflect the actual income to the municipality and not the income nor expenditure of the implementing agent service. The Auditor General has verified this conclusion on several audits and has deemed this practice as correct. No exceptions have been raised in this regard.

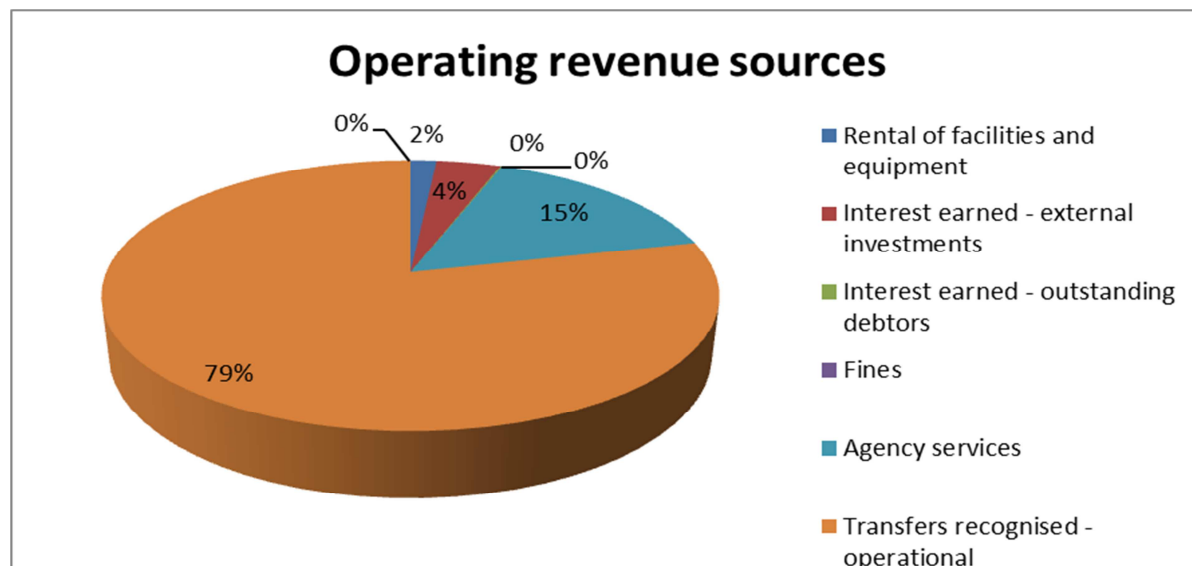
## 2.6 Overview of budget funding

### 2.6.1 Medium-term outlook: operating revenue

**Table 25 Breakdown of the operating revenue over the medium-term**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
Revenue By Source											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-	917	963	1 011
Interest earned - external investments		-	-	-	-	-	-	-	2 260	3 020	2 800
Interest earned - outstanding debtors		-	-	-	-	-	-	-	60	60	60
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	5	5	5
Licences and permits		-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	8 823	9 258	9 710
Transfers and subsidies		-	-	-	-	-	-	-	44 527	55 236	54 066
Other revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	-	-	-	-	-	-	56 591	68 541	67 652

The following graph is a breakdown of the operational revenue per main category for the 2017/18 financial year.



**Figure 5 Breakdown of operating revenue over the 2017/18 MTREF**

The municipality derives most of its operational revenue from the transfers and grants from the National Revenue fund as well as other organs of state in the form of implementing agency fees.

The tables below provide detail investment information and investment particulars by maturity.

**Table 26 MBRR SA15 – Detail Investment Information**

Investment type	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Parent municipality										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Municipal Bonds		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		-	-	-	-	-	-	-	-	-

**Table 27 MBRR SA16 – Investment particulars by maturity**

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate +	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
<b>Parent municipality</b>														
Nedbank		Variable	Various	Yes	Variable	Variable	Interest		N/A	-	60	(60)	-	-
Nuweveld Co-op		N/A	Members Fund	No	Fixed	Variable	Member share		N/A	-	-	-	-	-
<b>Municipality sub-total</b>										-		(60)	-	-
<b>Entities</b>														
<b>Entities sub-total</b>										-		-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>	1									-		(60)	-	-

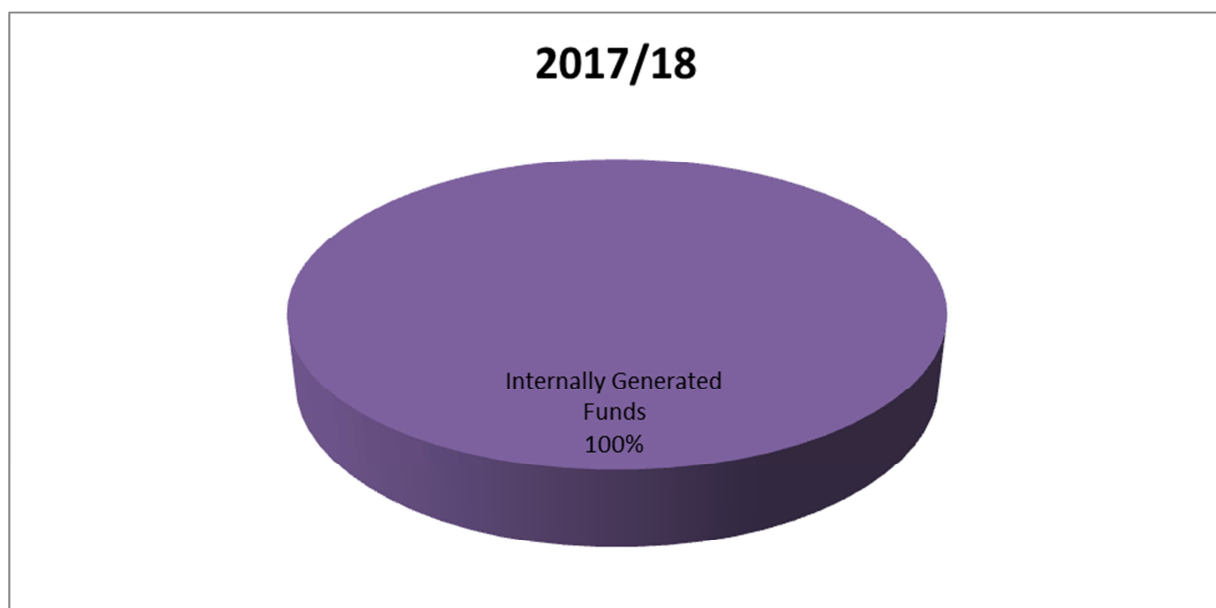
## 2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2017/18 medium-term capital programme:

**Table 28 Sources of capital revenue over the MTREF**

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Funded by:</b>											
National Government		-	-	-	-	-	-	-	-	-	-
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	-	-	-	-	-	-	-	-	-	-
<b>Public contributions &amp; donations</b>	5	-	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		-	-	-	-	-	-	-	110	-	-
<b>Total Capital Funding</b>	7	-	-	-	-	-	-	-	110	-	-

The above table is graphically represented as follows for the 2017/18 financial year.



**Figure 6 Sources of capital revenue for the 2017/18 financial year**

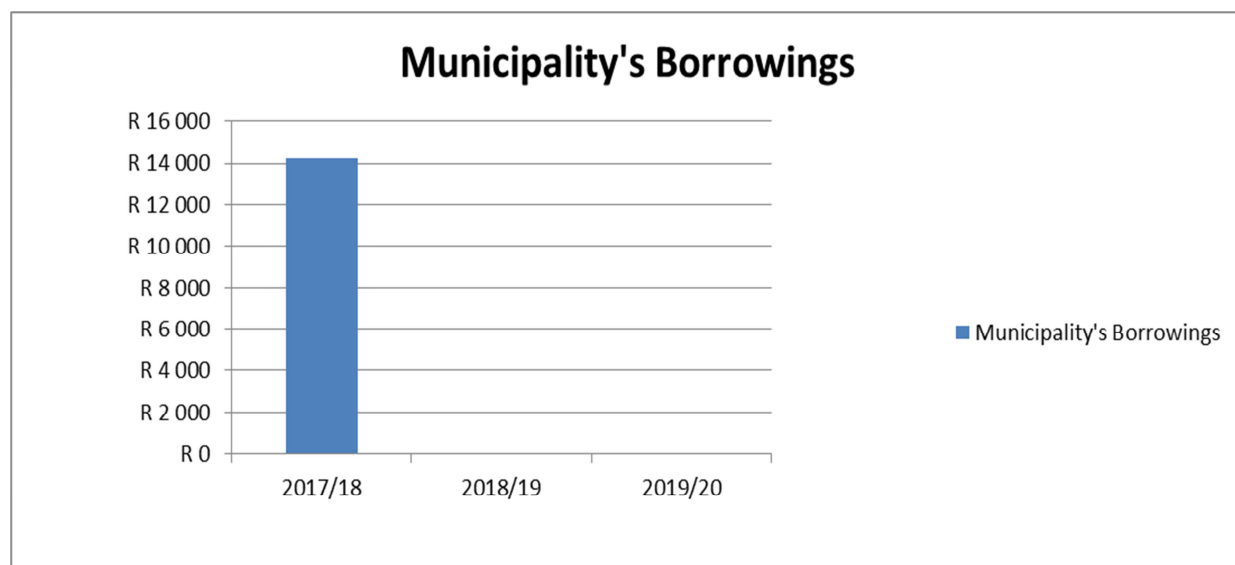
The capital budget of the municipality is mainly funded out of the internally generated funds.

The capital replacement reserve will be utilised to fund the capital budget portion of internally generated funds and is fully cash-backed.

**Table 29 MBRR Table SA 17 - Detail of borrowings**

Borrowing - Categorised by type	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Parent municipality</b>										
Annuity and Bullet Loans		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	14	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
<b>Municipality sub-total</b>	1	-	-	-	-	-	-	14	-	-
<b>Entities</b>										
Annuity and Bullet Loans		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Total Borrowing</b>	1	-	-	-	-	-	-	14	-	-

The following graph illustrates the growth in outstanding borrowing for the 2017/18 to 2019/20 period.

**Figure 7 Growth in outstanding borrowing (long-term liabilities)**

The municipality does not have any long term borrowing. The only borrowing that the municipality has is finance leases in the form of printers from Nashua.

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash-backed reserves and accumulated funds reconciliation, as discussed below.

**Table 30 MBRR Table SA 18 - Capital transfers and grants receipts**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		-	-	-	-	-	-	-	-	-
Finance Management		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement		-	-	-	-	-	-	-	-	-
PIMS		-	-	-	-	-	-	-	-	-
Health Inspector's Subsidy		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Rural road asset management		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
Civil Defence Subsidy		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
Spoegrivier Sport Ground (Lotto)		-	-	-	-	-	-	-	-	-
Swartzkop Sport Ground (Lotto)		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	-	-	-	-	-	-	-	-	-

### 2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

**Table 31 MBRR Table A7 - Budget cash flow statement**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		-	-	-	-	-	-	-	-	-	-
Service charges		-	-	-	-	-	-	-	-	-	-
Other revenue		-	-	-	-	-	-	-	9 224	10 478	10 783
Government - operating	1	-	-	-	-	-	-	-	44 527	55 236	54 066
Government - capital	1	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	2 260	3 020	2 800
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		-	-	-	-	-	-	-	(47 124)	(65 599)	(66 209)
Finance charges		-	-	-	-	-	-	-	-	-	-
Transfers and Grants	1	-	-	-	-	-	-	-	(120)	(120)	(120)
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	-	-	-	-	-	-	8 767	3 015	1 321
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		-	-	-	-	-	-	-	(110)	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	-	-	-	-	-	(110)	-	-
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	(37)	(14)	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	(37)	(14)	-
NET INCREASE/ (DECREASE) IN CASH HELD		-	-	-	-	-	-	-	8 619	3 001	1 321
Cash/cash equivalents at the year begin:	2	-	-	-	-	-	-	-	8 648	17 268	20 269
Cash/cash equivalents at the year end:	2	-	-	-	-	-	-	-	17 268	20 269	21 599

The above table shows that cash and cash equivalents of the municipality are steady between the 2017/18 to 2019/20 financial year moving from a positive cash balance of R17.27 million to R20.27 million with the approved 2018/19 MTREF.

In the 2019/20 forecasts, the cash and cash equivalents is expected to increase to R 21.59 million due to a review in equitable share.

#### 2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with

section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

**Table 32 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	-	-	-	-	-	-	-	17 268	20 269	21 590
Other current investments > 90 days		-	-	-	-	-	-	-	0	(0)	0
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		-	-	-	-	-	-	-	17 268	20 269	21 590
<b>Application of cash and investments</b>											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	-	-	-	-	-	-	-	1 321	1 706	1 556
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		-	-	-	-	-	-	-	1 321	1 706	1 556
<b>Surplus(shortfall)</b>		-	-	-	-	-	-	-	15 947	18 563	20 034

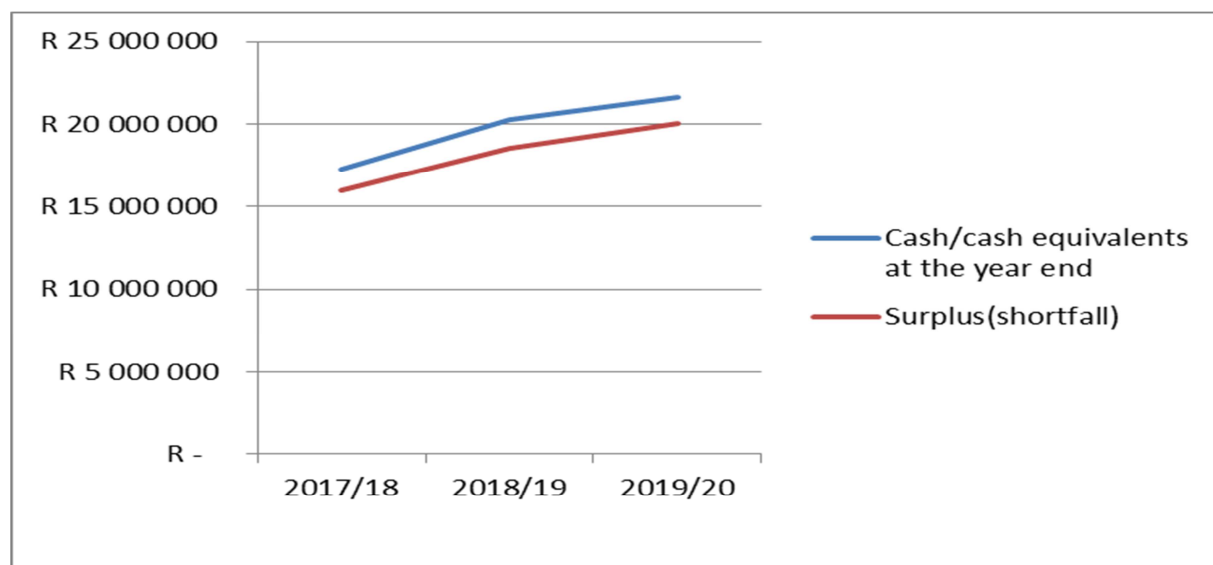
From the above table it can be seen that the cash and investments available total R17.27 million in the 2017/18 financial year and increases to R20.27 million by 2018/19, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued. During the 2014/15 financial year the municipality was required to supply National Treasury with a detailed analysis of the unspent grants as well as an action plan of spending the grants.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. For the purpose of the cash backed reserves and accumulated surplus reconciliation a provision equivalent to one month's operational expenditure has been provided for. It needs to be noted that although this can be considered prudent, the desired cash levels should be 60 days to ensure continued liquidity of the municipality.
- Most reserve fund cash-backing is discretionary in nature, but the reserve funds are not available to support a budget unless they are cash-backed. The reserve funds are fully cash-backed. The level of cash-backing is directly informed by the municipality's cash backing policy.

It can be concluded that the municipality has a surplus against the cash backed and accumulated surpluses reconciliation.



The following graph supplies an analysis of the trends relating cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over a seven year perspective.



**Figure 8 Cash and cash equivalents / Cash backed reserves and accumulated funds**

### 2.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

**Table 33 MBRR SA10 – Funding compliance measurement**

Description	MFMA section	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	-	-	-	-	-	-	-	17 268	20 269	21 590
Cash + investments at the yr end less applications - R'000	18(1)b	2	-	-	-	-	-	-	-	15 947	18 563	20 034
Cash year end/monthly employee/supplier payments	18(1)b	3	-	-	-	-	-	-	-	3.7	4.0	4.2
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	-	-	-	-	-	-	-	(8 144)	(1 329)	(2 522)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	94.1%	101.9%	100.0%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital payments % of capital expenditure	18(1)c;19	8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Gov't. legislated/gazetted allocations	18(1)a	10								100.6%	100.2%	100.2%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(33.2%)	0.6%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.4%	26.2%	395.5%
Asset renewal al % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

#### *2.6.5.1 Cash/cash equivalent position*

The municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2017/18 MTREF shows R17.29 million, R20.27 million and R21.59 million for each respective financial year.

#### *2.6.5.2 Cash plus investments less application of funds*

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 16, on page 21. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

#### *2.6.5.3 Surplus/deficit excluding depreciation offsets*

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2017/18 MTREF the indicative outcome is a deficit of R8.14 million, R1.33 million and R2.52 million.

#### *2.6.5.4 Transfers/grants revenue as a percentage of Government transfers/grants available*

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Namakwa District Municipality has budgeted for all transfers.

#### *2.6.5.5 Repairs and maintenance expenditure level*

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table 47 MBRR SA34C on page 69.

#### *2.6.5.6 Asset renewal/rehabilitation expenditure level*

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 46 MBRR SA34b on page 68.

## 2.7 Expenditure on grants and reconciliations of unspent funds

**Table 34 MBRR SA19 - Expenditure on transfers and grant programmes**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>EXPENDITURE:</b>	1									
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		-	-	-	-	-	-	42 892	54 752	53 555
Local Government Equitable Share		-	-	-	-	-	-	36 316	44 678	46 175
Finance Management		-	-	-	-	-	-	1 250	1 505	1 765
Municipal Systems Improvement		-	-	-	-	-	-	-	-	-
PIMS		-	-	-	-	-	-	-	-	-
Health Inspector's Subsidy		-	-	-	-	-	-	2 428	2 428	2 428
Municipal Infrastructure Grant		-	-	-	-	-	-	-	3 123	-
Rural road asset management		-	-	-	-	-	-	2 898	3 018	3 187
<b>Provincial Government:</b>		-	-	-	-	-	-	1 509	368	389
Civil Defence Subsidy		-	-	-	-	-	-	350	368	389
EPWP		-	-	-	-	-	-	1 000	-	-
IDP/LDO		-	-	-	-	-	-	100	-	-
Border Fencing		-	-	-	-	-	-	54	-	-
Electronic Filing System		-	-	-	-	-	-	5	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	126	116	122
Training Reserve (SETA)		-	-	-	-	-	-	109	116	122
Swartzkop Sport Ground (Lotto)		-	-	-	-	-	-	17	-	-
<b>Total operating expenditure of Transfers and Grants</b>		-	-	-	-	-	-	44 527	55 236	54 066
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		-	-	-	-	-	-	-	-	-
Finance Management		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement		-	-	-	-	-	-	-	-	-
PIMS		-	-	-	-	-	-	-	-	-
Health Inspector's Subsidy		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Rural road asset management		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
Civil Defence Subsidy		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
Spoegrivier Sport Ground (Lotto)		-	-	-	-	-	-	-	-	-
Swartzkop Sport Ground (Lotto)		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		-	-	-	-	-	-	44 527	55 236	54 066

**Table 35 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>										
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	42 892	54 752	53 555
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	42 892	54 752	53 555
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	159	-	-
Current year receipts		-	-	-	-	-	-	1 350	368	389
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	1 509	368	389
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	17	-	-
Current year receipts		-	-	-	-	-	-	109	116	122
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	126	116	122
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Total operating transfers and grants revenue</b>		-	-	-	-	-	-	44 527	55 236	54 066
<b>Total operating transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
<b>Total capital transfers and grants revenue</b>		-	-	-	-	-	-	-	-	-
<b>Total capital transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		-	-	-	-	-	-	44 527	55 236	54 066
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		-	-	-	-	-	-	-	-	-

## 2.8 Councillor and employee benefits

**Table 36 MBRR SA22 - Summary of Councillor and staff benefits**

Summary of Employee and Councillor remuneration R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		-	-	-	-	-	-	2 611	2 767	2 933
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	167	177	188
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	356	377	400
<b>Sub Total - Councillors</b>		-	-	-	-	-	-	3 134	3 322	3 521
<b>% increase</b>	4	-	-	-	-	-	-	-	6.0%	6.0%
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		-	-	-	-	-	-	3 199	3 391	3 595
Pension and UIF Contributions		-	-	-	-	-	-	411	435	461
Medical Aid Contributions		-	-	-	-	-	-	134	142	150
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	483	512	543
Cellphone Allowance	3	-	-	-	-	-	-	42	45	47
Housing Allowances	3	-	-	-	-	-	-	25	27	28
Other benefits and allowances	3	-	-	-	-	-	-	218	231	245
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		-	-	-	-	-	-	4 512	4 783	5 070
<b>% increase</b>	4	-	-	-	-	-	-	-	6.0%	6.0%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		-	-	-	-	-	-	18 183	19 274	20 430
Pension and UIF Contributions		-	-	-	-	-	-	3 081	3 266	3 461
Medical Aid Contributions		-	-	-	-	-	-	2 290	2 428	2 574
Overtime		-	-	-	-	-	-	114	119	124
Performance Bonus		-	-	-	-	-	-	1 435	1 521	1 612
Motor Vehicle Allowance	3	-	-	-	-	-	-	2 071	2 042	2 011
Cellphone Allowance	3	-	-	-	-	-	-	112	109	106
Housing Allowances	3	-	-	-	-	-	-	585	584	582
Other benefits and allowances	3	-	-	-	-	-	-	39	38	38
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	159	149	156
Post-retirement benefit obligations	6	-	-	-	-	-	-	3 087	3 247	3 414
<b>Sub Total - Other Municipal Staff</b>		-	-	-	-	-	-	31 156	32 776	34 509
<b>% increase</b>	4	-	-	-	-	-	-	-	5.2%	5.3%
<b>Total Parent Municipality</b>		-	-	-	-	-	-	38 801	40 881	43 100
		-	-	-	-	-	-	-	5.4%	5.4%

**Table 37 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)**

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<b>Councillors</b>	3							
Speaker	4		668 506	–	22 120			690 626
Chief Whip			376 036	–	175 615			551 650
Executive Mayor			851 702	–	44 329			896 031
Deputy Executive Mayor			–	–	–			–
Executive Committee			248 608	–	82 869			331 477
Total for all other councillors			465 906	–	197 881			663 787
<b>Total Councillors</b>	8	–	<b>2 610 759</b>	<b>–</b>	<b>522 814</b>			<b>3 133 573</b>
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)			830 438	154 945	156 000	40 182		1 181 564
Chief Finance Officer			856 401	141 292	138 000	40 182		1 175 875
Director: Corporate Services			757 804	102 497	138 000	40 182		1 038 484
Director: Economic Development, Tourism and Projects			754 800	205 544	93 080	62 900		1 116 324
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	10	–	<b>5 810 201</b>	<b>604 279</b>	<b>1 047 894</b>	<b>183 446</b>		<b>7 645 820</b>

**Table 38 MBRR SA24 – summary of personnel numbers**

Summary of Personnel Numbers Number	Ref	2015/16			Current Year 2016/17			Budget Year 2017/18		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		-	-	-	-	-	-	15	2	13
Board Members of municipal entities	4	-	-	-	-	-	-	-	-	-
<b>Municipal employees</b>	5	-	-	-	-	-	-	-	-	-
Municipal Manager and Senior Managers	3	-	-	-	-	-	-	4	3	1
Other Managers	7	-	-	-	-	-	-	4	4	-
Professionals		-	-	-	-	-	-	4	4	-
Finance		-	-	-	-	-	-	2	2	-
Spatial/town planning		-	-	-	-	-	-	-	-	-
Information Technology		-	-	-	-	-	-	2	2	-
Roads		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Technicians		-	-	-	-	-	-	9	9	-
Finance		-	-	-	-	-	-	2	2	-
Spatial/town planning		-	-	-	-	-	-	-	-	-
Information Technology		-	-	-	-	-	-	2	2	-
Roads		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	5	5	-
Clerks (Clerical and administrative)		-	-	-	-	-	-	48	28	20
Service and sales workers		-	-	-	-	-	-	5	4	1
Skilled agricultural and fishery workers		-	-	-	-	-	-	-	-	-
Craft and related trades		-	-	-	-	-	-	-	-	-
Plant and Machine Operators		-	-	-	-	-	-	-	-	-
Elementary Occupations		-	-	-	-	-	-	4	3	-
<b>TOTAL PERSONNEL NUMBERS</b>	9	-	-	-	-	-	-	93	57	35
% increase		-	-	-	-	-	-	-	-	-
<b>Total municipal employees headcount</b>	6, 10	-	-	-	-	-	-	-	-	-
Finance personnel headcount	8, 10	-	-	-	-	-	-	10	10	-
Human Resources personnel headcount	8, 10	-	-	-	-	-	-	4	4	-

**2.9 Monthly targets for revenue, expenditure and cash flow**



Table 39 MBRR SA25 - Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand																
Revenue By Source																
Property rates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		76	76	76	76	76	76	76	76	76	76	76	76	917	963	1 011
Interest earned - external investments		188	188	188	188	188	188	188	188	188	188	188	188	2 260	3 020	2 800
Interest earned - outstanding debtors		5	5	5	5	5	5	5	5	5	5	5	5	60	60	60
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		0	0	0	0	0	0	0	0	0	0	0	0	5	5	5
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services		735	735	735	735	735	735	735	735	735	735	735	735	8 823	9 258	9 710
Transfers and subsidies		3 711	3 711	3 711	3 711	3 711	3 711	3 711	3 711	3 711	3 711	3 711	3 711	44 527	55 236	54 066
Other revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		4 716	4 716	4 716	4 716	4 716	4 716	4 716	4 716	4 716	4 716	4 716	4 716	56 591	68 541	67 652
Expenditure By Type																
Employee related costs		2 972	2 972	2 972	2 972	2 972	2 972	2 972	2 972	2 972	2 972	2 972	2 972	35 668	37 559	39 579
Remuneration of councillors		261	261	261	261	261	261	261	261	261	261	261	261	3 134	3 322	3 521
Debt impairment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment		189	189	189	189	189	189	189	189	189	189	189	189	2 267	2 275	2 284
Finance charges		31	31	31	31	31	31	31	31	31	31	31	31	378	395	414
Bulk purchases		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		1 020	1 020	1 020	1 020	1 020	1 020	1 020	1 020	1 020	1 020	1 020	1 020	12 238	15 337	12 979
Transfers and subsidies		10	10	10	10	10	10	10	10	10	10	10	10	120	120	120
Other expenditure by Type		911	911	911	911	911	911	911	911	911	911	911	911	10 932	10 862	11 278
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		5 395	5 395	5 395	5 395	5 395	5 395	5 395	5 395	5 395	5 395	5 395	5 395	64 735	69 871	70 174
Surplus/(Deficit)		(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(8 144)	(1 329)	(2 522)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(8 144)	(1 329)	(2 522)
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(8 144)	(1 329)	(2 522)

**Table 40 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)**

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>																
<b>Revenue by Vote</b>																
Vote 1 - Municipal Manager		304	304	304	304	304	304	304	304	304	304	304	304	3 649	2 642	2 790
Vote 2 - Manager: Corporate Services		362	362	362	362	362	362	362	362	362	362	362	362	4 348	4 759	5 035
Vote 3 - Manager: Economic Development		893	893	893	893	893	893	893	893	893	893	893	893	10 715	14 315	11 748
Vote 4 - Manager: Environmental Health		232	232	232	232	232	232	232	232	232	232	232	232	2 778	2 796	2 817
Vote 5 - Manager: Finance		2 840	2 840	2 840	2 840	2 840	2 840	2 840	2 840	2 840	2 840	2 840	2 840	34 079	42 945	44 113
Vote 6 - Manager: Roads		85	85	85	85	85	85	85	85	85	85	85	85	1 022	1 084	1 149
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>		<b>4 716</b>	<b>4 716</b>	<b>4 716</b>	<b>4 716</b>	<b>4 716</b>	<b>4 716</b>	<b>4 716</b>	<b>4 716</b>	<b>4 716</b>	<b>4 716</b>	<b>4 716</b>	<b>4 716</b>	<b>56 591</b>	<b>68 541</b>	<b>67 652</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - Municipal Manager		1 492	1 492	1 492	1 492	1 492	1 492	1 492	1 492	1 492	1 492	1 492	1 492	17 905	17 589	18 434
Vote 2 - Manager: Corporate Services		1 065	1 065	1 065	1 065	1 065	1 065	1 065	1 065	1 065	1 065	1 065	1 065	12 782	13 337	13 926
Vote 3 - Manager: Economic Development		1 479	1 479	1 479	1 479	1 479	1 479	1 479	1 479	1 479	1 479	1 479	1 479	17 744	21 642	19 449
Vote 4 - Manager: Environmental Health		796	796	796	796	796	796	796	796	796	796	796	796	9 555	9 995	10 476
Vote 5 - Manager: Finance		477	477	477	477	477	477	477	477	477	477	477	477	5 727	6 224	6 741
Vote 6 - Manager: Roads		85	85	85	85	85	85	85	85	85	85	85	85	1 022	1 084	1 149
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>		<b>5 395</b>	<b>5 395</b>	<b>5 395</b>	<b>5 395</b>	<b>5 395</b>	<b>5 395</b>	<b>5 395</b>	<b>5 395</b>	<b>5 395</b>	<b>5 395</b>	<b>5 395</b>	<b>5 395</b>	<b>64 735</b>	<b>69 871</b>	<b>70 174</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>(679)</b>	<b>(679)</b>	<b>(679)</b>	<b>(679)</b>	<b>(679)</b>	<b>(679)</b>	<b>(679)</b>	<b>(679)</b>	<b>(679)</b>	<b>(679)</b>	<b>(679)</b>	<b>(679)</b>	<b>(8 144)</b>	<b>(1 329)</b>	<b>(2 522)</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>(679)</b>	<b>(679)</b>	<b>(679)</b>	<b>(679)</b>	<b>(679)</b>	<b>(679)</b>	<b>(679)</b>	<b>(679)</b>	<b>(679)</b>	<b>(679)</b>	<b>(679)</b>	<b>(679)</b>	<b>(8 144)</b>	<b>(1 329)</b>	<b>(2 522)</b>

**Table 41 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)**

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>																
<b>Revenue - Functional</b>																
<i>Governance and administration</i>		3 506	3 506	3 506	3 506	3 506	3 506	3 506	3 506	3 506	3 506	3 506	3 506	42 076	50 346	51 938
Executive and council		581	581	581	581	581	581	581	581	581	581	581	581	6 966	6 323	6 692
Finance and administration		2 926	2 926	2 926	2 926	2 926	2 926	2 926	2 926	2 926	2 926	2 926	2 926	35 110	44 023	45 246
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		232	232	232	232	232	232	232	232	232	232	232	232	2 778	2 796	2 817
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		29	29	29	29	29	29	29	29	29	29	29	29	350	368	389
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		202	202	202	202	202	202	202	202	202	202	202	202	2 428	2 428	2 428
<i>Economic and environmental services</i>		978	978	978	978	978	978	978	978	978	978	978	978	11 737	15 399	12 897
Planning and development		243	243	243	243	243	243	243	243	243	243	243	243	2 915	6 141	3 187
Road transport		85	85	85	85	85	85	85	85	85	85	85	85	1 022	1 084	1 149
Environmental protection		650	650	650	650	650	650	650	650	650	650	650	650	7 800	8 174	8 561
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>		4 716	4 716	4 716	4 716	4 716	4 716	4 716	4 716	4 716	4 716	4 716	4 716	56 591	68 541	67 652
<b>Expenditure - Functional</b>																
<i>Governance and administration</i>		3 034	3 034	3 034	3 034	3 034	3 034	3 034	3 034	3 034	3 034	3 034	3 034	36 413	37 150	39 100
Executive and council		1 387	1 387	1 387	1 387	1 387	1 387	1 387	1 387	1 387	1 387	1 387	1 387	16 650	16 269	17 044
Finance and administration		1 542	1 542	1 542	1 542	1 542	1 542	1 542	1 542	1 542	1 542	1 542	1 542	18 509	19 561	20 666
Internal audit		105	105	105	105	105	105	105	105	105	105	105	105	1 255	1 320	1 390
<i>Community and public safety</i>		740	740	740	740	740	740	740	740	740	740	740	740	8 881	9 295	9 744
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		362	362	362	362	362	362	362	362	362	362	362	362	4 349	4 549	4 771
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		378	378	378	378	378	378	378	378	378	378	378	378	4 531	4 746	4 973
<i>Economic and environmental services</i>		1 444	1 444	1 444	1 444	1 444	1 444	1 444	1 444	1 444	1 444	1 444	1 444	17 329	21 204	18 995
Planning and development		653	653	653	653	653	653	653	653	653	653	653	653	7 832	11 246	8 554
Road transport		85	85	85	85	85	85	85	85	85	85	85	85	1 022	1 084	1 149
Environmental protection		706	706	706	706	706	706	706	706	706	706	706	706	8 475	8 874	9 293
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		176	176	176	176	176	176	176	176	176	176	176	176	2 113	2 221	2 335
<b>Total Expenditure - Functional</b>		5 395	5 395	5 395	5 395	5 395	5 395	5 395	5 395	5 395	5 395	5 395	5 395	64 735	69 871	70 174
<b>Surplus/(Deficit) before assoc.</b>		(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(8 144)	(1 329)	(2 522)
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	1	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(679)	(8 144)	(1 329)	(2 522)

**Table 42 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)**

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>																
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 1 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Manager: Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Manager: Economic Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Manager: Environmental Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Manager: Finance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Manager: Roads		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>																
Vote 1 - Municipal Manager		7	7	7	7	7	7	7	7	7	7	7	7	78	-	-
Vote 2 - Manager: Corporate Services		1	1	1	1	1	1	1	1	1	1	1	1	17	-	-
Vote 3 - Manager: Economic Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Manager: Environmental Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Manager: Finance		1	1	1	1	1	1	1	1	1	1	1	1	15	-	-
Vote 6 - Manager: Roads		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	9	9	9	9	9	9	9	9	9	9	9	9	110	-	-
<b>Total Capital Expenditure</b>	2	9	9	9	9	9	9	9	9	9	9	9	9	110	-	-

**Table 43 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)**

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Capital Expenditure - Functional</b>	1															
<b>Governance and administration</b>		9	9	9	9	9	9	9	9	9	9	9	9	110	-	-
Executive and council		7	7	7	7	7	7	7	7	7	7	7	7	78	-	-
Finance and administration		3	3	3	3	3	3	3	3	3	3	3	3	32	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	2	9	9	9	9	9	9	9	9	9	9	9	9	110	-	-
<b>Funded by:</b>																
National Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Public contributions &amp; donations</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		9	9	9	9	9	9	9	9	9	9	9	9	110	-	-
<b>Total Capital Funding</b>		9	9	9	9	9	9	9	9	9	9	9	9	110	-	-

Table 44 MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand															
Cash Receipts By Source													1		
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	69	69	69	69	69	69	69	69	69	69	69	69	826	940	10 132
Interest earned - external investments	188	188	188	188	188	188	188	188	188	188	188	188	2 260	3 020	2 800
Interest earned - outstanding debtors	5	5	5	5	5	5	5	5	5	5	5	5	54	59	601
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	0	0	0	0	0	0	0	0	0	0	0	0	5	5	50
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	695	695	695	695	695	695	695	695	695	695	695	695	8 339	9 475	-
Transfer receipts - operational	3 711	3 711	3 711	3 711	3 711	3 711	3 711	3 711	3 711	3 711	3 711	3 711	44 527	55 236	54 066
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Receipts by Source	4 668	4 668	4 668	4 668	4 668	4 668	4 668	4 668	4 668	4 668	4 668	4 668	56 010	68 734	67 650
Other Cash Flows by Source															
Transfer receipts - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	4 668	4 668	4 668	4 668	4 668	4 668	4 668	4 668	4 668	4 668	4 668	4 668	56 010	68 734	67 650
Cash Payments by Type															
Employee related costs	2 086	2 086	2 086	2 086	4 173	2 086	2 086	2 086	2 086	2 086	2 086	2 086	27 122	36 730	38 904
Remuneration of councillors	261	261	261	261	261	261	261	261	261	261	261	261	(490)	2 383	3 461
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	1 020	1 020	1 020	1 020	1 020	1 020	1 020	1 020	1 020	1 020	1 020	1 020	9 306	14 998	12 758
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	120	120	120
Other expenditure	911	911	911	911	911	911	911	911	911	911	911	911	(1 708)	8 313	11 085
Cash Payments by Type	4 278	4 278	4 278	4 278	6 365	4 278	4 278	4 278	4 278	4 278	4 278	4 278	(1 904)	47 244	65 719
Other Cash Flows/Payments by Type															
Capital assets	9	9	9	9	9	9	9	9	9	9	9	9	110	-	-
Repayment of borrowing	3	3	3	3	3	3	3	3	3	3	3	3	37	14	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	4 291	4 291	4 291	4 291	6 377	4 291	4 291	4 291	4 291	4 291	4 291	4 291	(1 891)	47 391	65 733
NET INCREASE/(DECREASE) IN CASH HELD	377	377	377	377	(1 709)	377	377	377	377	377	377	6 559	8 619	3 001	1 321
Cash/cash equivalents at the month/year begin:	8 648	9 025	9 402	9 779	10 156	8 447	8 824	9 201	9 578	9 955	10 332	10 709	8 648	17 268	20 269
Cash/cash equivalents at the month/year end:	9 025	9 402	9 779	10 156	8 447	8 824	9 201	9 578	9 955	10 332	10 709	17 268	17 268	20 269	21 590

## **2.10 Contracts having future budgetary implications**

In terms of the municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

## **2.11 Capital expenditure details**

The following three tables present details of the Namakwa District Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

**Table 45 MBRR SA 34a - Capital expenditure on new assets by asset class**

Description R thousand	Ref 1	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>Other assets</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Municipal Offices		-	-	-	-	-	-	-	-	-
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	-	-	-	-	-	-	-	-
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		-	-	-	-	-	-	110	-	-
Computer Equipment		-	-	-	-	-	-	110	-	-
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
<b>Transport Assets</b>		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
<b>Libraries</b>		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on new assets</b>	1	-	-	-	-	-	-	110	-	-



**Table 46 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousand</b>	<b>1</b>									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Other assets</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Municipal Offices		-	-	-	-	-	-	-	-	-
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	-	-	-	-	-	-	-	-
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
<b>Transport Assets</b>		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
<b>Libraries</b>		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on renewal of existing</b>	<b>1</b>	-	-	-	-	-	-	-	-	-
<b>Renewal of Existing Assets as % of total capex</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Renewal of Existing Assets as % of deprecn"</b>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table 47 MBRR SA34c - Repairs and maintenance expenditure by asset class

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Repairs and maintenance expenditure by Asset Class/Sub-class										
Other assets		-	-	-	-	-	-	300	300	300
Operational Buildings		-	-	-	-	-	-	300	300	300
Municipal Offices		-	-	-	-	-	-	300	300	300
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	20	21	22
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	20	21	22
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	-	-	-	-	-	20	21	22
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	62	65	68
Computer Equipment		-	-	-	-	-	-	62	65	68
Furniture and Office Equipment		-	-	-	-	-	-	33	34	36
Furniture and Office Equipment		-	-	-	-	-	-	33	34	36
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	56	59	61
Transport Assets		-	-	-	-	-	-	56	59	61
Libraries		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	-	-	-	-	-	-	471	479	487
R&M as a % of PPE		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.6%	26.7%
R&M as % Operating Expenditure		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	0.7%

**Table 48 MBRR SA35 - Future financial implications of the capital budget**

Vote Description	Ref	2017/18 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Present value
<b>R thousand</b>								
<b>Capital expenditure</b>	1							
Vote 1 - Municipal Manager		78	-	-	-	-	-	-
Vote 2 - Manager: Corporate Services		17	-	-	-	-	-	-
Vote 3 - Manager: Economic Development		-	-	-	-	-	-	-
Vote 4 - Manager: Environmental Health		-	-	-	-	-	-	-
Vote 5 - Manager: Finance		15	-	-	-	-	-	-
Vote 6 - Manager: Roads		-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-
List entity summary if applicable					-	-	-	-
<b>Total Capital Expenditure</b>		<b>110</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Future operational costs by vote</b>	2							
Vote 1 - Municipal Manager		-	-	-	-	-	-	-
Vote 2 - Manager: Corporate Services		-	-	-	-	-	-	-
Vote 3 - Manager: Economic Development		-	-	-	-	-	-	-
Vote 4 - Manager: Environmental Health		-	-	-	-	-	-	-
Vote 5 - Manager: Finance		-	-	-	-	-	-	-
Vote 6 - Manager: Roads		-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-
List entity summary if applicable		-	-	-	-	-	-	-
<b>Total future operational costs</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Future revenue by source</b>	3							
Property rates		-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-
Service charges - refuse revenue		-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-
List other revenues sources if applicable		-	-	-	-	-	-	-
List entity summary if applicable		-	-	-	-	-	-	-
<b>Total future revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Financial Implications</b>		<b>110</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 49 MBRR SA36 - Detailed capital budget per municipal vote**

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2017/18 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2015/16	Current Year 2016/17 Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Ward location	New or renewal
R thousand	4			2	6	3	3	5								
<b>Parent municipality:</b> <i>List all capital projects grouped by Municipal Vote</i>																
1.2 - Council Expenditure		Computer Equipment			Yes	Computer Equipment	Computer Equipment		-	-	-	30	-	-	N/A	New
1.6 - Municipal Manager		Computer Equipment			Yes	Computer Equipment	Computer Equipment		-	-	-	48	-	-	N/A	New
2.1 - Administration		Computer Equipment			Yes	Computer Equipment	Computer Equipment		-	-	-	17	-	-	N/A	New
5.1 - Finance		Computer Equipment			Yes	Computer Equipment	Computer Equipment		-	-	-	15	-	-	N/A	New
<b>Parent Capital expenditure</b>	<b>1</b>											<b>110</b>	<b>-</b>	<b>-</b>		
<b>Entities:</b> <i>List all capital projects grouped by Entity</i>																
<b>Entity A</b>									-	-	-	-	-	-		
Water project A									-	-	-	-	-	-		
<b>Entity B</b>									-	-	-	-	-	-		
Electricity project B									-	-	-	-	-	-		
									-	-	-	-	-	-		
<b>Entity Capital expenditure</b>										-	-	-	-	-		
<b>Total Capital expenditure</b>										-	-	<b>110</b>	<b>-</b>	<b>-</b>		

**Table 50 MBRR SA37 - Projects delayed from previous financial year**

Municipal Vote/Capital project	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete	Current Year 2016/17		2017/18 Medium Term Revenue & Expenditure Framework		
								Original Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
								Year				
<b>R thousand</b>												
<b>Parent municipality:</b> <i>List all capital projects grouped by Municipal Vote</i>				<i>Examples</i>	<i>Examples</i>							
								-	-	-	-	-
								-	-	-	-	-
								-	-	-	-	-
								-	-	-	-	-
								-	-	-	-	-
								-	-	-	-	-
								-	-	-	-	-
<b>Entities:</b> <i>List all capital projects grouped by Municipal Entity</i>												
<b>Entity Name</b> <i>Project name</i>								-	-	-	-	-
								-	-	-	-	-
								-	-	-	-	-
								-	-	-	-	-
								-	-	-	-	-
								-	-	-	-	-

## 2.12 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

**1. *In year reporting***

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved. Monthly reporting is done in a Budget and Treasury Committee meeting held within 10 working days after month end.

**2. *Budget and Treasury Office***

The Budget and Treasury Office has been established in accordance with the MFMA.

**3. *Audit Committee***

An Audit Committee has been established and is fully functional.

**4. *Service Delivery and Implementation Plan***

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2017/18 MTREF in May 2017 directly aligned and informed by the 2017/18 MTREF.

**5. *Annual Report***

Annual report is compiled in terms of the MFMA and National Treasury requirements.

**6. *MFMA Training***

The MFMA training module in electronic format was presented in Concordia for certain senior and middle managers as well in Upington for top management and other finance staff. The balance of personnel was included in another group that commenced in April 2014.

## 2.13 Other supporting documents

Table 51 MBRR Table SA1 - Supporting detail to budgeted financial performance

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		-	-	-	-	-	-	-			
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		-	-	-	-	-	-	-	-	-	-
Net Property Rates		-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	6										
Total Service charges - electricity revenue		-	-	-	-	-	-	-			
less Revenue Foregone (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-			
less Cost of Free Basis Services (50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Net Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	6										
Total Service charges - water revenue		-	-	-	-	-	-	-			
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-			
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Net Service charges - water revenue		-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue											
Total Service charges - sanitation revenue		-	-	-	-	-	-	-			
less Revenue Foregone (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-			
less Cost of Free Basis Services (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-
Net Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	6										
Total refuse removal revenue		-	-	-	-	-	-	-	-	-	-
Total landfill revenue		-	-	-	-	-	-	-	-	-	-
less Revenue Foregone (in excess of one removal a week to indigent households)		-	-	-	-	-	-	-	-	-	-
less Cost of Free Basis Services (removed once a week to indigent households)		-	-	-	-	-	-	-	-	-	-
Net Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-
Other Revenue by source											
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Other Revenue		-	-	-	-	-	-	-	-	-	-
Total 'Other' Revenue	3	-	-	-	-	-	-	-	-	-	-
	1	-	-	-	-	-	-	-	-	-	-
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	-	-	-	-	-	-	-	21 382	22 665	24 025
Pension and UIF Contributions		-	-	-	-	-	-	-	3 491	3 701	3 923
Medical Aid Contributions		-	-	-	-	-	-	-	2 424	2 570	2 724
Overtime		-	-	-	-	-	-	-	114	119	124
Performance Bonus		-	-	-	-	-	-	-	1 435	1 521	1 612
Motor Vehicle Allowance		-	-	-	-	-	-	-	2 554	2 554	2 554
Cellphone Allowance		-	-	-	-	-	-	-	154	154	154
Housing Allowances		-	-	-	-	-	-	-	610	610	610
Other benefits and allowances		-	-	-	-	-	-	-	257	270	283
Payments in lieu of leave		-	-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	159	149	156
Post-retirement benefit obligations	4	-	-	-	-	-	-	-	3 087	3 247	3 414
sub-total	5	-	-	-	-	-	-	-	35 668	37 559	39 579
Less: Employees costs capitalised to PPE		-	-	-	-	-	-	-	-	-	-
Total Employee related costs	1	-	-	-	-	-	-	-	35 668	37 559	39 579
Contributions recognised - capital											
List contributions by contract		-	-	-	-	-	-	-	-	-	-
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		-	-	-	-	-	-	-	2 267	2 275	2 284
Lease amortisation		-	-	-	-	-	-	-	-	-	-
Capital asset impairment		-	-	-	-	-	-	-	-	-	-
Depreciation resulting from revaluation of PPE	10	-	-	-	-	-	-	-	-	-	-
Total Depreciation & asset impairment	1	-	-	-	-	-	-	-	2 267	2 275	2 284
Bulk purchases											
Electricity Bulk Purchases		-	-	-	-	-	-	-	-	-	-
Water Bulk Purchases		-	-	-	-	-	-	-	-	-	-
Total bulk purchases	1	-	-	-	-	-	-	-	-	-	-

**Table 51 MBRR Table SA1 - Supporting detail to budgeted financial performance  
(Continued)**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
Transfers and grants	1										
Cash transfers and grants		-	-	-	-	-	-	-	120	120	120
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Total transfers and grants		-	-	-	-	-	-	-	120	120	120
Contracted services											
Outsourced Services		-	-	-	-	-	-	-	5 040	5 275	5 516
Consultants and Professional Services		-	-	-	-	-	-	-	5 444	8 253	5 579
Contractors		-	-	-	-	-	-	-	1 753	1 808	1 885
sub-total	1	-	-	-	-	-	-	-	12 238	15 337	12 979
Allocations to organs of state:											
Electricity		-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total contracted services		-	-	-	-	-	-	-	12 238	15 337	12 979
Other Expenditure By Type											
Collection costs	3	-	-	-	-	-	-	-	-	-	-
Contributions to 'other' provisions		-	-	-	-	-	-	-	-	-	-
Consultant fees		-	-	-	-	-	-	-	-	-	-
Audit fees		-	-	-	-	-	-	-	2 100	2 199	2 300
General expenses		-	-	-	-	-	-	-	2 025	1 999	2 044
Advertising, Publicity and Marketing		-	-	-	-	-	-	-	480	461	482
Cleaning Services		-	-	-	-	-	-	-	-	-	-
Communication		-	-	-	-	-	-	-	453	472	457
External Computer Service		-	-	-	-	-	-	-	550	576	602
Insurance		-	-	-	-	-	-	-	201	210	219
Inventory Consumed		-	-	-	-	-	-	-	826	446	467
Management Fee		-	-	-	-	-	-	-	16	16	17
Municipal Services		-	-	-	-	-	-	-	956	1 001	1 047
Operating Leases		-	-	-	-	-	-	-	33	35	36
Printing, Publications and Books		-	-	-	-	-	-	-	190	199	208
Travel and Subsistence	-	-	-	-	-	-	-	3 102	3 248	3 398	
Total 'Other' Expenditure	1	-	-	-	-	-	-	-	10 932	10 862	11 278
Repairs and Maintenance	8										
Employee related costs		-	-	-	-	-	-	-	-	-	-
Other materials		-	-	-	-	-	-	-	-	-	-
Contracted Services		-	-	-	-	-	-	-	471	479	487
Other Expenditure		-	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	9	-	-	-	-	-	-	-	471	479	487



Table 52 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

DC6 Namakwa - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)								
Description	Ref	Vote 1 - Municipal Manager	Vote 2 - Manager: Corporate Services	Vote 3 - Manager: Economic Development	Vote 4 - Manager: Environment al Health	Vote 5 - Manager: Finance	Vote 6 - Manager: Roads	Total
<b>R thousand</b>	<b>1</b>							
<b>Revenue By Source</b>								
Property rates		—	—	—	—	—	—	—
Service charges - electricity revenue		—	—	—	—	—	—	—
Service charges - water revenue		—	—	—	—	—	—	—
Service charges - sanitation revenue		—	—	—	—	—	—	—
Service charges - refuse revenue		—	—	—	—	—	—	—
Service charges - other		—	—	—	—	—	—	—
Rental of facilities and equipment		—	917	—	—	—	—	917
Interest earned - external investments		—	—	—	—	2 260	—	2 260
Interest earned - outstanding debtors		—	—	—	—	60	—	60
Dividends received		—	—	—	—	—	—	—
Fines, penalties and forfeits		—	—	—	—	5	—	5
Licences and permits		—	—	—	—	—	—	—
Agency services		—	—	7 800	—	—	1 022	8 823
Other Revenue by source		—	—	—	—	—	—	—
Transfers and subsidies		3 649	3 431	2 915	2 778	31 754	—	44 527
Gains on disposal of PPE		—	—	—	—	—	—	—
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>3 649</b>	<b>4 348</b>	<b>10 715</b>	<b>2 778</b>	<b>34 079</b>	<b>1 022</b>	<b>56 591</b>
<b>Expenditure By Type</b>								
Employee related costs		6 924	8 290	7 258	7 649	4 525	1 022	35 668
Remuneration of councillors		3 134	—	—	—	—	—	3 134
Debt impairment		—	—	—	—	—	—	—
Depreciation & asset impairment		558	783	198	543	185	—	2 267
Finance charges		76	187	47	29	39	—	378
Bulk purchases		—	—	—	—	—	—	—
Other materials		—	—	—	—	—	—	—
Contracted services		1 947	772	8 553	403	562	—	12 238
Transfers and subsidies		—	—	120	—	—	—	120
Other expenditure By Type		5 266	2 750	1 569	932	416	—	10 932
Loss on disposal of PPE		—	—	—	—	—	—	—
<b>Total Expenditure</b>		<b>17 905</b>	<b>12 782</b>	<b>17 744</b>	<b>9 555</b>	<b>5 727</b>	<b>1 022</b>	<b>64 735</b>
<b>Surplus/(Deficit)</b>		<b>(14 255)</b>	<b>(8 434)</b>	<b>(7 030)</b>	<b>(6 777)</b>	<b>28 352</b>	<b>—</b>	<b>(8 144)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		—	—	—	—	—	—	—
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		—	—	—	—	—	—	—
Transfers and subsidies - capital (in-kind - all)		—	—	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(14 255)</b>	<b>(8 434)</b>	<b>(7 030)</b>	<b>(6 777)</b>	<b>28 352</b>	<b>—</b>	<b>(8 144)</b>

Table 53 MBRR Table SA3 – Supporting detail to Statement of Financial Position

DC6 Namakwa - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'												
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
R thousand												
<b>ASSETS</b>												
<b>Call investment deposits</b>	2											
Call deposits		-	-	-	-	-	-	-	-	-	-	
Other current investments		-	-	-	-	-	-	-	-	-	-	
<b>Total Call investment deposits</b>		-	-	-	-	-	-	-	-	-	-	
<b>Consumer debtors</b>	2											
Consumer debtors		-	-	-	-	-	-	-	-	-	-	
Less: Provision for debt impairment		-	-	-	-	-	-	-	-	-	-	
<b>Total Consumer debtors</b>		-	-	-	-	-	-	-	-	-	-	
<b>Debt impairment provision</b>	2											
Balance at the beginning of the year		-	-	-	-	-	-	-	-	-	-	
Contributions to the provision		-	-	-	-	-	-	-	-	-	-	
Bad debts written off		-	-	-	-	-	-	-	-	-	-	
<b>Balance at end of year</b>		-	-	-	-	-	-	-	-	-	-	
<b>Property, plant and equipment (PPE)</b>	3											
PPE at cost/valuation (ex cl. finance leases)		-	-	-	-	-	-	-	3 528	1 828	123	
Leases recognised as PPE		-	-	-	-	-	-	-	-	-	-	
Less: Accumulated depreciation		-	-	-	-	-	-	-	-	-	-	
<b>Total Property, plant and equipment (PPE)</b>	2	-	-	-	-	-	-	-	3 528	1 828	123	
<b>LIABILITIES</b>												
<b>Current liabilities - Borrowing</b>	2											
Short term loans (other than bank overdraft)		-	-	-	-	-	-	-	-	-	-	
Current portion of long-term liabilities		-	-	-	-	-	-	-	-	-	-	
<b>Total Current liabilities - Borrowing</b>		-	-	-	-	-	-	-	-	-	-	
<b>Trade and other payables</b>	2											
Trade and other creditors		-	-	-	-	-	-	-	1 867	2 101	1 946	
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-	
VAT		-	-	-	-	-	-	-	-	-	-	
<b>Total Trade and other payables</b>		-	-	-	-	-	-	-	1 867	2 101	1 946	
<b>Non current liabilities - Borrowing</b>	4											
Borrowing		-	-	-	-	-	-	-	-	-	-	
Finance leases (including PPP asset element)		-	-	-	-	-	-	-	14	-	-	
<b>Total Non current liabilities - Borrowing</b>		-	-	-	-	-	-	-	14	-	-	
<b>Provisions - non-current</b>	2											
Retirement benefits		-	-	-	-	-	-	-	21 657	23 185	24 783	
List other major provision items		-	-	-	-	-	-	-	-	-	-	
Refuse landfill site rehabilitation		-	-	-	-	-	-	-	-	-	-	
<b>Total Provisions - non-current</b>		-	-	-	-	-	-	-	21 657	23 185	24 783	
<b>CHANGES IN NET ASSETS</b>												
<b>Accumulated Surplus/(Deficit)</b>	1											
Accumulated Surplus/(Deficit) - opening balance		-	-	-	-	-	-	-	5 136	(3 008)	(4 337)	
GRAP adjustments		-	-	-	-	-	-	-	-	-	-	
Restated balance		-	-	-	-	-	-	-	5 136	(3 008)	(4 337)	
Surplus/(Deficit)		-	-	-	-	-	-	-	(8 144)	(1 329)	(2 522)	
Appropriations to Reserves		-	-	-	-	-	-	-	-	-	-	
Transfers from Reserves		-	-	-	-	-	-	-	-	-	-	
Depreciation offsets		-	-	-	-	-	-	-	-	-	-	
Other adjustments		-	-	-	-	-	-	-	-	-	-	
<b>Accumulated Surplus/(Deficit)</b>			-	-	-	-	-	-	-	(3 008)	(4 337)	(6 859)
<b>Reserves</b>		2										
Housing Development Fund	-		-	-	-	-	-	-	-	-	-	
Capital replacement	-		-	-	-	-	-	-	-	-	-	
Self-insurance	-		-	-	-	-	-	-	-	-	-	
Other reserves	-		-	-	-	-	-	-	-	-	-	
Revaluation	-		-	-	-	-	-	-	-	-	-	
<b>Total Reserves</b>		-	-	-	-	-	-	-	-	-	-	
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	-	-	-	-	-	-	-	(3 008)	(4 337)	(6 859)	

**Table 54 MBRR Table SA9 – Social, economic and demographic statistics and assumptions**

DC6 Namakwa - Supporting Table SA9 Social, economic and demographic statistics and assumptions												
Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2013/14	2014/15	2015/16	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<b>Demographics</b>												
Population			-	127	116	-	-	-	-	-	-	-
Females aged 5 - 14			-	-	-	-	-	-	-	-	-	-
Males aged 5 - 14			-	-	-	-	-	-	-	-	-	-
Females aged 15 - 34			-	-	-	-	-	-	-	-	-	-
Males aged 15 - 34			-	-	-	-	-	-	-	-	-	-
Unemployment			-	-	-	-	-	-	-	-	-	-
<b>Monthly household income (no. of households)</b>												
No income	1, 12		-	-	-	-	-	-	-	-	-	-
R1 - R1 600			-	-	-	-	-	-	-	-	-	-
R1 601 - R3 200			-	-	-	-	-	-	-	-	-	-
R3 201 - R6 400			-	-	-	-	-	-	-	-	-	-
R6 401 - R12 800			-	-	-	-	-	-	-	-	-	-
R12 801 - R25 600			-	-	-	-	-	-	-	-	-	-
R25 601 - R51 200			-	-	-	-	-	-	-	-	-	-
R52 201 - R102 400			-	-	-	-	-	-	-	-	-	-
R102 401 - R204 800			-	-	-	-	-	-	-	-	-	-
R204 801 - R409 600			-	-	-	-	-	-	-	-	-	-
R409 601 - R819 200			-	-	-	-	-	-	-	-	-	-
> R819 200			-	-	-	-	-	-	-	-	-	-
<b>Poverty profiles (no. of households)</b>												
< R2 060 per household per month	13		-	-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Insert description	2		-	-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Household/demographics (000)</b>												
Number of people in municipal area			-	126 514	115 842	-	-	-	-	-	-	-
Number of poor people in municipal area			-	-	-	-	-	-	-	-	-	-
Number of households in municipal area			-	36 445	29 694	-	-	-	-	-	-	-
Number of poor households in municipal area			-	-	-	-	-	-	-	-	-	-
Definition of poor household (R per month)			-	-	-	-	-	-	-	-	-	-
<b>Housing statistics</b>												
Formal	3		-	-	-	-	-	-	-	-	-	-
Informal			-	-	-	-	-	-	-	-	-	-
Total number of households			-	-	-	-	-	-	-	-	-	-
Dwellings provided by municipality	4		-	-	-	-	-	-	-	-	-	-
Dwellings provided by province/s			-	126 503	126 503	-	-	-	-	-	-	-
Dwellings provided by private sector	5		-	-	-	-	-	-	-	-	-	-
Total new housing dwellings			-	126 503	126 503	-	-	-	-	-	-	-
<b>Economic</b>												
Inflation/inflation outlook (CPIX)	6					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest rate - borrowing						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest rate - investment						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Remuneration increases						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Consumption growth (electricity)						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Consumption growth (water)						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Collection rates</b>												
Property tax/service charges	7					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rental of facilities & equipment						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest - external investments						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest - debtors						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Revenue from agency services						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**Table 55 MBRR SA32 – List of external mechanisms**

DC6 Namakwa - Supporting Table SA32 List of external mechanisms					
External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
Business Connexions	Yrs	Unspecified	Financial system	3 months notice	270
Nashua	Yrs	4	Providing photocopier machines	31 January 2019	48
URB	Yrs	1	Providing telephone system	6 months notice	72
Mubesko	Yrs	1	Providing financial support	After completion of task	200

**2.14 Municipal manager's quality certificate**

I ...**CHRISTIAAN FORTUIN**....., municipal manager of Namakwa District Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name \_\_\_\_\_**CHRISTIAAN FORTUIN**\_\_\_\_\_

Municipal manager of Namakwa District Municipality (DC6)



\_\_\_\_\_  
Signature

Date \_\_**31 March 2017**\_\_\_\_\_